

## OFFERING MEMORANDUM



**AVIVA plc**

*(incorporated in England with limited liability, registered number 02468686)*

**£500,000,000**

### **Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes**

**Issue price: 100 per cent.**

The £500,000,000 Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes (the “**Notes**”) will be issued by Aviva plc (the “**Issuer**”) and will be constituted by a trust deed (as amended or supplemented from time to time, the “**Trust Deed**”) to be dated on or about 31 March 2025 (the “**Issue Date**”) between the Issuer and the Trustee (as defined in “Terms and Conditions of the Notes” (the “**Conditions**”, and references herein to a numbered “**Condition**” shall be construed accordingly)).

The Notes will (subject to cancellation as provided below) bear interest on their principal amount from (and including) the Issue Date to (but excluding) 31 March 2033 (the “**First Reset Date**”) at the rate of 7.750 per cent. per annum and thereafter at a fixed rate of interest which will be reset on the First Reset Date and on each fifth anniversary of the First Reset Date thereafter (each, a “**Reset Date**” as provided in the Conditions). Interest will be payable on the Notes semi-annually in arrear on 31 March and 30 September each year (each, an “**Interest Payment Date**”) in equal instalments commencing on 30 September 2025, subject to cancellation as provided below and as described in the Conditions. The Notes will constitute direct, unsecured and subordinated obligations of the Issuer.

**The Issuer may elect at any time to cancel (in whole or in part) any Interest Payment (as defined herein) otherwise scheduled to be paid on an Interest Payment Date and shall, save as otherwise permitted pursuant to the Conditions, cancel in full an Interest Payment upon any Mandatory Interest Cancellation Date (as defined herein). Any interest accrued in respect of an Interest Payment Date which falls on or after the date on which a Trigger Event (as defined herein) occurs shall also be cancelled. The cancellation or non-payment of any Interest Payment shall not constitute a default or event of default on the part of the Issuer for any purpose. Any Interest Payment (or part thereof) which is cancelled in accordance with the Conditions shall not accumulate or become due and payable in any circumstances. Except as provided in the Conditions, all payments in respect of or arising from the Notes will be conditional upon the Issuer being solvent (as defined in the Conditions) at the time for payment and immediately thereafter.**

Application has been made to the London Stock Exchange plc (the “**London Stock Exchange**”) for the Notes to be admitted to trading to the International Securities Market (the “**ISM**”). References in this Offering Memorandum to the Notes being “listed” (and all related references) shall mean that the Notes have been admitted to trading on the ISM. The ISM is not a regulated market for the purposes of Regulation (EU) No 600/2014 on markets in financial instruments as it forms part of the domestic law of the United Kingdom (the “**UK**”) (“**UK MiFIR**”).

**The ISM is a market designated for professional investors. Notes admitted to trading on the ISM are not admitted to the Official List of the UK Financial Conduct Authority (the “FCA”). The London Stock Exchange has not approved or verified the contents of this Offering Memorandum.**

Payments in respect of the Notes will be made free and clear of, and without withholding or deduction for, or on account of, taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the UK or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. If any such withholding or deduction is made in respect of payments of interest (but not in respect of any payments of principal), additional amounts may be payable by the Issuer, subject to certain exceptions as are more fully described in the Conditions.

**The Notes will be perpetual securities with no fixed redemption date. The Issuer shall only have the right to redeem or purchase the Notes in accordance with the Conditions. Holders of the Notes (“Noteholders”) will have no right to require the Issuer to redeem or purchase the Notes at any time.**

The Issuer may, at its option, elect to redeem all (but not some only) of the Notes at their principal amount together with any interest accrued but unpaid to (but excluding) the date of redemption (to the extent not cancelled in accordance with the Conditions) (i) on any day falling in the period commencing on (and including) 30 September 2032 and ending on (and including) the First Reset Date or on any Reset Date thereafter, or (ii) at any time (a) upon the occurrence of a Tax Event (as defined in the Conditions), (b) following the occurrence of a Capital Disqualification Event (as defined in the Conditions), (c) following the occurrence of a Rating Methodology Event (as defined in the Conditions), or (d) if 75 per cent. or more of the aggregate principal amount of the Notes originally issued has been purchased and cancelled (or will, prior to any date fixed for redemption pursuant to the Conditions, be purchased and cancelled), subject to certain conditions (including, without limitation, the Redemption and Purchase Conditions (as defined in the Conditions)). In the event of non-compliance with such requirements, any scheduled redemption shall be suspended as provided in the Conditions.

The Issuer may, alternatively, in the event of a Tax Event, Capital Disqualification Event or Rating Methodology Event, and subject to compliance with the Redemption and Purchase Conditions (without any requirement for the consent or approval of the Noteholders), vary or substitute all (and not some only) of the Notes so that they remain or become (as applicable) Qualifying Securities or Rating Agency Compliant Securities (as applicable and in each case, as defined in the Conditions) in the circumstances described in Condition 7.

**UPON THE OCCURRENCE OF A TRIGGER EVENT THE ISSUER'S OBLIGATIONS IN RELATION TO THE NOTES WILL BE IMMEDIATELY AND IRREVOCABLY RELEASED AND DISCHARGED AND THE NOTES WILL BE CONVERTED INTO ORDINARY SHARES OF THE ISSUER AT THE PREVAILING CONVERSION PRICE.**

**Although the Noteholders will (subject to a Conversion Shares Offer) become beneficial owners of the Conversion Shares upon the issuance of such Conversion Shares to the Conversion Shares Depository and the Conversion Shares will be registered in the name of the Conversion Shares Depository (or the relevant recipient in accordance with the terms of the Notes), no Noteholder will be able to sell or otherwise transfer any Conversion Shares until such time as they are finally delivered to such Noteholder and registered in its name. In the event of a Conversion Shares Offer, only some – or none – of the Conversion Shares may be delivered to the Noteholders, unless Noteholders validly opt out of the Conversion Shares Offer in accordance with the Conditions. See Conditions 6(e) to 6(g) for further information.**

**With effect from the Conversion Date, no Noteholder will have any rights against the Issuer with respect to the repayment of principal or interest in respect of the Notes. The Notes are not convertible at the option of the Noteholders at any time.**

**UK MiFIR professionals/ECPs-only/No UK/EU PRIIPs KID** – Manufacturer target market (UK MiFIR product governance) is eligible counterparties and professional clients only (all distribution channels). No key information document (“**KID**”) under Regulation (EU) No 1286/2014 (the “**EU PRIIPs Regulation**”) or Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the European Union (Withdrawal) Act 2018, as amended (the “**EUWA**”) (the “**UK PRIIPS Regulation**”) has been prepared as the Notes are not available to retail investors in the European Economic Area (“**EEA**”) or in the UK. See pages 5 to 6 of this offering memorandum (the “**Offering Memorandum**”) for further information.

**Pursuant to the UK Financial Conduct Authority Conduct of Business Sourcebook (“COBS”) the Notes are not intended to be offered, sold or otherwise made available, and should not be offered, sold or otherwise made available to retail clients (as defined in COBS 3.4) in the UK (as if COBS 22.3 applies to the Notes).**

**Potential investors should read the whole of this Offering Memorandum, in particular the “Risk Factors” set out on pages 21 to 53.**

The Notes are expected to be assigned a rating of BBB+ by Fitch Ratings Limited (“**Fitch**”) and a rating of Baa2 by Moody's Investors Service Ltd. (“**Moody's**”). Each of Fitch and Moody's is established in the UK and registered under Regulation (EC) No 1060/2009 as it forms part of the domestic law of the UK (as amended, the “**UK CRA Regulation**”). Neither of Fitch or Moody's is established in the European Union and they have not applied for registration under Regulation (EC) No. 1060/2009 (as amended) (the “**CRA Regulation**”). The ratings issued by Fitch and Moody's have been endorsed by Fitch Ratings Ireland Limited and Moody's Deutschland GmbH, respectively, in accordance with the CRA Regulation. Each of Fitch Ratings Ireland Limited and Moody's Deutschland GmbH is established in the European Union and registered under the CRA Regulation. As such, each of Fitch Ratings Ireland Limited and Moody's Deutschland GmbH is included in the list of credit rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website (at <http://www.esma.europa.eu/supervision/credit-rating-agencies/risk>) in accordance with the CRA Regulation.

A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. A revision, suspension, reduction or withdrawal of a rating may adversely affect the market price of the Notes.

*Sole Structuring Advisor*  
Citigroup

*Joint Lead Managers*  
Barclays  
Citigroup  
HSBC  
J.P. Morgan  
Lloyds Bank Corporate Markets  
NatWest

The date of this Offering Memorandum is 27 March 2025.

The Issuer accepts responsibility for the information contained in this Offering Memorandum. To the best of the knowledge of the Issuer (having taken all reasonable care to ensure that such is the case) the information contained in this Offering Memorandum is in accordance with the facts and does not omit anything likely to affect the import of such information.

The information on any websites to which this Offering Memorandum refers (other than any information which is incorporated by reference herein) does not form part of this Offering Memorandum and has not been scrutinised or approved by the London Stock Exchange.

Relevant third-party information has been extracted from sources as specified in this Offering Memorandum. The Issuer confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain, no facts have been omitted which would render the reproduced information inaccurate or misleading.

This Offering Memorandum is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see “Documents Incorporated by Reference” below).

No person is or has been authorised to give any information or to make any representation other than those contained in or consistent with this Offering Memorandum in connection with the issue or sale of the Notes and, if given or made, such information or representations must not be relied upon as having been authorised by or on behalf of the Issuer, any of the Joint Lead Managers (as defined in “Subscription and Sale” below) or the Trustee. Neither the delivery of this Offering Memorandum nor any sale made in connection herewith shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer since the date hereof or that there has been no adverse change in the financial position of the Issuer since the date hereof or that any other information supplied in connection with the Notes is correct as of any time after the date on which it is supplied or, if different, the date indicated in the document containing the same.

The Joint Lead Managers and the Trustee have not separately verified the information contained in this Offering Memorandum. Neither the Joint Lead Managers nor the Trustee makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information contained in this Offering Memorandum or any other information provided by the Issuer in connection with the offering of the Notes. None of the Joint Lead Managers or the Trustee accepts any liability in relation to the information contained in this Offering Memorandum or any other information provided by the Issuer in connection with the offering of the Notes or their distribution. No Joint Lead Manager shall be responsible for, or for investigating, any matter which is the subject of, any statement, representation, warranty or covenant of the Issuer contained in the Notes, or any other agreement or document relating to the Notes, or for the execution, legality, effectiveness, adequacy, genuineness, validity, enforceability or admissibility in evidence thereof.

In the ordinary course of business, each of the Joint Lead Managers has engaged and may in the future engage in normal banking or investment banking transactions with the Issuer or its affiliates.

Neither this Offering Memorandum nor any other information provided by the Issuer in connection with the offering of the Notes constitutes an offer of, or an invitation by or on behalf of, the Issuer or the Joint Lead Managers or the Trustee or any of them to subscribe for, or purchase, any of the Notes (see “Subscription and Sale” below). This Offering Memorandum does not constitute an offer to sell or the solicitation of an offer to buy the Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Memorandum and the offer or sale of Notes may be restricted by law in certain jurisdictions. The Issuer, the Trustee and the Joint Lead Managers do not represent that this Offering Memorandum may be lawfully distributed, or that the Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by the Issuer, the Trustee or the Joint Lead Managers or any of them which is intended to permit a public offering of the Notes or the distribution of this Offering Memorandum in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Memorandum nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Memorandum or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Memorandum and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Memorandum and the offer or sale of Notes in the U.S., the EEA, the UK, Canada, Republic of Italy, France, Hong Kong, Japan, Singapore and Switzerland. Persons in receipt of this Offering Memorandum are required by the Issuer, the Trustee and the Joint Lead Managers to inform themselves about and to observe any such restrictions. For a description of certain further restrictions on offers and sales of Notes and distribution of this Offering Memorandum, see “Subscription and Sale” below.

The Notes (and the Ordinary Shares to be delivered following the occurrence of a Trigger Event) have not been and will not be registered under the Securities Act and include Notes in bearer form that are subject to U.S. tax law requirements. Subject to certain exceptions, Notes (and the Ordinary Shares) may not be offered, sold or

delivered within the U.S. or to U.S. persons. For a description of certain restrictions on offers and sales of Notes and on distribution of this Offering Memorandum, see “Subscription and Sale”.

#### **IMPORTANT - RESTRICTIONS ON MARKETING AND SALES TO RETAIL INVESTORS**

The Notes are complex financial instruments. They are not a suitable or appropriate investment for all investors, especially retail investors. In some jurisdictions, regulatory authorities have adopted or published laws, regulations or guidance with respect to the offer or sale of certain securities with characteristics similar to the Notes. Potential investors in the Notes should inform themselves of, and comply with, any applicable laws, regulations or regulatory guidance with respect to any resale of the Notes (or any beneficial interests therein).

In the UK, COBS requires, in summary, that certain securities with characteristics similar to the Notes should not be offered or sold to retail clients (as defined in COBS 3.4 and each a “retail client”) in the UK.

Each of the Joint Lead Managers is required to comply with COBS (as if COBS 22.3 applies to the Notes).

By purchasing, or making or accepting an offer to purchase, any Notes (or a beneficial interest therein) from the Issuer and/or any Joint Lead Manager (acting as Joint Lead Manager), each prospective investor represents, warrants, agrees with, and undertakes to the Issuer and the Joint Lead Managers that:

1. it is not a retail client in the UK; and
2. it will not sell or offer the Notes (or any beneficial interest therein) to retail clients in the UK or communicate (including the distribution of this Offering Memorandum, in preliminary or final form) or approve an invitation or inducement to participate in, acquire or underwrite the Notes (or any beneficial interests therein) where that invitation or inducement is addressed to or disseminated in such a way that it is likely to be received by a retail client in the UK.

In selling or offering the Notes or making or approving communications relating to the Notes, each prospective investor may not rely on the limited exemptions set out in COBS (as if COBS 22.3 applies to the Notes).

The obligations above are in addition to the need to comply at all times with all other applicable laws, regulations and regulatory guidance (whether inside or outside the EEA or the UK) relating to the promotion, offering, distribution and/or sale of the Notes (or any beneficial interest therein), whether or not specifically mentioned in the Offering Memorandum, in preliminary or final form, including (without limitation) any requirements under the UK FCA Handbook as to determining the appropriateness and/or suitability of an investment in the Notes (or any beneficial interest therein) for investors in any relevant jurisdiction.

Where acting as agent on behalf of a disclosed or undisclosed client when purchasing, or making or accepting an offer to purchase, any Notes (or any beneficial interest therein) from the Issuer and/or any of the Joint Lead Managers, the foregoing representations, warranties, agreements and undertakings will be given by and be binding on both the agent and its underlying client(s).

**UK MiFIR PRODUCT GOVERNANCE/PROFESSIONAL INVESTORS AND ELIGIBLE COUNTERPARTIES ONLY TARGET MARKET** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is only eligible counterparties, as defined in COBS, and professional clients as defined in UK MiFIR; and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to the FCA Handbook Product Intervention and Product Governance Sourcebook (the “UK MiFIR Product Governance Rules”) is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the EEA. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of MiFID II; or (ii) a customer within the meaning of Directive (EU) 2016/97 (the “Insurance Distribution Directive”), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II. Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

**PROHIBITION OF SALES TO UK RETAIL INVESTORS** - The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the UK. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the EUWA; or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000,

as amended (the “FSMA”) and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of the domestic law of the UK by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of the domestic law of the UK by virtue of the EUWA (the “UK PRIIPs Regulation”) for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

To the fullest extent permitted by law, none of the Joint Lead Managers or the Trustee accepts any responsibility for the contents of this Offering Memorandum or for any other statement made or purported to be made by the Trustee or a Joint Lead Manager or on its behalf in connection with the Issuer or the issue, sale, listing and admission to trading of the Notes. The Trustee and each Joint Lead Manager disclaims all and any liability to any investor whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Offering Memorandum or any such statement. Neither this Offering Memorandum nor any other information supplied in connection with the offering of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as, or constitute, a recommendation by any of the Issuer, the Trustee or the Joint Lead Managers that any recipient of this Offering Memorandum or any other information supplied in connection with the offering of the Notes should purchase the Notes. Each potential purchaser of Notes should determine for itself the relevance of the information contained in this Offering Memorandum or any other information supplied in connection with the offering of the Notes and its purchase of Notes should be based upon such investigation as it deems necessary. Neither the Trustee nor the Joint Lead Managers undertakes to review the financial condition or affairs of the Issuer during the life of the arrangements contemplated by this Offering Memorandum nor to advise any investor or potential investor in the Notes of any information coming to the attention of any of the Joint Lead Managers or the Trustee.

The Notes may not be a suitable investment for all investors. Each potential investor in any Notes must determine the suitability of that investment for that investor considering its own circumstances. In particular, each potential investor should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Memorandum;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact such investment will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor’s currency;
- understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant indices and financial markets;
- be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect the investor’s investment and its ability to bear the applicable risks; and
- understand the accounting, legal, regulatory and tax implications of a purchase, holding and disposal of an interest in the Notes.

In this Offering Memorandum, unless otherwise specified or the context otherwise requires, all references to “pounds sterling”, “sterling” and “£” are to the currency of the UK and all references to “€” and “euro” are to the single currency which was introduced at the start of the third stage of European Economic and Monetary Union, pursuant to the Treaty establishing the European Community (as amended from time to time).

In this Offering Memorandum, unless a contrary intention appears, a reference to a law or a provision of law is a reference to that law or provision as extended, amended or re-enacted.

#### **FORWARD-LOOKING STATEMENTS**

This Offering Memorandum includes certain “forward-looking statements”. Statements that are not historical facts, including statements about the beliefs and expectations of the Issuer and its subsidiaries (the “Group”) and their respective directors or management, are forward-looking statements. Words such as “believes”, “anticipates”, “estimates”, “expects”, “intends”, “plans”, “aims”, “potential”, “will”, “would”, “could”, “considered”, “likely”, “estimate” and variations of these words and similar future or conditional expressions, are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend

upon future circumstances that may or may not occur, many of which are beyond the control of the Issuer or the Group and all of which are based on their current beliefs and expectations about future events. Such forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Issuer or the Group, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the present and future business strategies of the Issuer and the Group and the environment in which the Issuer and the Group will operate in the future. These forward-looking statements speak only as at the date of this Offering Memorandum.

Subject to any obligations under the admission to trading rules of the ISM (as amended from time to time), the Issuer expressly disclaims any obligations or undertakings to release publicly any updates or revisions to any forward-looking statements contained in this Offering Memorandum or incorporated by reference into this Offering Memorandum to reflect any change in the expectations of the Issuer with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

#### **STABILISATION**

In connection with the issue of the Notes, Citigroup Global Markets Limited (the “Stabilisation Manager”) (or any person acting on behalf of the Stabilisation Manager), may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the Notes and 60 days after the date of the allotment of the Notes. Any stabilisation action or over-allotment must be conducted by the Stabilisation Manager (or any person acting on behalf of the Stabilisation Manager) in accordance with all applicable laws and rules.

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## OVERVIEW OF THE PRINCIPAL FEATURES OF THE NOTES

The following overview refers to certain provisions of the terms and conditions of the Notes and the Trust Deed and is qualified by the more detailed information contained elsewhere in this Offering Memorandum. Terms which are defined in “Terms and Conditions of the Notes” below have the same meaning when used in this overview, and references herein to a numbered “Condition” shall refer to the relevant Condition in “Terms and Conditions of the Notes”.

<b>Issue:</b>	£500,000,000 Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes
<b>Issuer:</b>	Aviva plc
<b>Legal Entity Identifier of the Issuer:</b>	YF0Y5B0IB8SM0ZFG9G81
<b>Issuer’s website:</b>	<a href="https://www.aviva.com">https://www.aviva.com</a>
<b>Sole Structuring Advisor:</b>	Citigroup Global Markets Limited
<b>Joint Lead Managers:</b>	Barclays Bank PLC, Citigroup Global Markets Limited, HSBC Bank plc, J.P. Morgan Securities plc, Lloyds Bank Corporate Markets plc and NatWest Markets Plc
<b>Trustee:</b>	The Law Debenture Trust Corporation p.l.c.
<b>Issuing, Paying and Conversion Agent:</b>	HSBC Bank plc
<b>Conversion Calculation Agent:</b>	Conv-Ex Advisors Limited
<b>Issue Date:</b>	31 March 2025
<b>Issue Price:</b>	100 per cent.
<b>Clearing Systems:</b>	Clearstream, Luxembourg and Euroclear.
<b>Perpetual Securities:</b>	The Notes will be perpetual securities with no fixed redemption date, and the holders of the Notes (the “ <b>Noteholders</b> ”) will have no right to require the Issuer to redeem or purchase the Notes at any time.
<b>Denomination:</b>	The Notes will be issued in denominations of £200,000 each and integral multiples of £1,000 in excess thereof.
<b>Status and Subordination:</b>	<p>The Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will rank <i>pari passu</i> and without any preference among themselves.</p> <p>The rights and claims of the Noteholders against the Issuer will be subordinated as described in Condition 3.</p> <p>For the avoidance of doubt, nothing in Condition 3 shall affect, subordinate or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee under the Trust Deed or the rights and remedies of the Trustee in respect thereof.</p>
<b>No Set-off:</b>	By acceptance of the Notes, subject to applicable law, each Noteholder will be deemed to have waived any right of set-off, compensation or retention that such Noteholder might otherwise have against the Issuer in respect of or arising under the Notes or the Trust Deed.
<b>Interest:</b>	<p>The Notes will bear interest on their outstanding principal amount:</p> <ul style="list-style-type: none"><li>(i) from (and including) the Issue Date to (but excluding) 31 March 2033 (the “<b>First Reset Date</b>”) at a fixed rate of 7.750 per cent. per annum; and</li><li>(ii) thereafter, at a fixed rate of interest which will be reset on the First Reset Date and on each fifth anniversary of the First Reset Date thereafter (each such date, a “<b>Reset Date</b>”) as the sum of (i) the Benchmark Gilt Rate and (ii) the Margin (3.194 per cent. per annum).</li></ul>
<b>Interest Payment Dates:</b>	Interest will, save as described below in “ <i>Cancellation of Interest Payments</i> ”, “ <i>Mandatory Cancellation of Interest Payments</i> ”, “ <i>Issuer’s Distributable Items</i> ” and “ <i>Interest Payments Discretionary</i> ”, be payable on the Notes semi-

annually in arrear on 31 March and 30 September (each, an “**Interest Payment Date**”) in each year in equal instalments commencing on 30 September 2025.

**Cancellation of Interest Payments:**

Interest Payments shall not be made by the Issuer in the following circumstances (in each case as more fully described in the Conditions):

- (i) the cancellation of such Interest Payment (in full), or such Interest Payment not becoming due and payable, in accordance with the provisions described under “*Mandatory Cancellation of Interest Payments*” below;
- (ii) the Issuer’s exercise of its discretion otherwise to cancel such Interest Payment (or part thereof) as described under “*Interest Payments Discretionary*” below; or
- (iii) the cancellation of such Interest Payment (or relevant part thereof) on the occurrence of a Trigger Event as described under “*Conversion*” below.

Any Interest Payment (or relevant part thereof) which is cancelled or does not become due and payable in accordance with the Conditions shall not accumulate or be payable at any time thereafter and such cancellation or non-payment shall not constitute a default or event of default for any purpose.

**Mandatory Cancellation of Interest Payments**

Subject to certain limited exceptions as more fully described in the Conditions, the Issuer shall be required to cancel in full any Interest Payment if:

- (i) the Solvency Condition is not met at the time for payment of such Interest Payment, or would cease to be met immediately following, and as a result of making, such Interest Payment (having regard also to any Additional Amounts payable with respect thereto);
- (ii) there is non-compliance with the Solvency Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Solvency Capital Requirement would occur immediately following, and as a result of making, such Interest Payment (having regard also to any Additional Amounts payable with respect thereto);
- (iii) there is non-compliance with the Minimum Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Minimum Capital Requirement would occur immediately following, and as a result of making, such Interest Payment (having regard also to any Additional Amounts payable with respect thereto);
- (iv) the amount of such Interest Payment, together with any Additional Amounts payable with respect thereto, when aggregated together with any interest payments or distributions which have been paid or made by the Issuer or which are scheduled simultaneously to be paid or made by the Issuer on its Tier 1 Own Fund Items (excluding any such payments which do not reduce the Issuer’s Distributable Items and any payments already accounted for by way of deduction in determining the Issuer’s Distributable Items) since the end of the latest financial year of the Issuer and prior to, or on, such Interest Payment Date, would exceed the amount of the Issuer’s Distributable Items as at the Interest Payment Date in respect of such Interest Payment; or
- (v) the Issuer is otherwise required by the Relevant Regulator or under the Relevant Rules to cancel the relevant Interest Payment,

each of the events or circumstances described in sub-paragraphs (i) to (v) (inclusive) above being a “**Mandatory Interest Cancellation Event**”.

The Issuer shall not be required to cancel an Interest Payment where a Mandatory Interest Cancellation Event has occurred and is continuing, or would occur if such Interest Payment were to be made, where each of the following conditions (or such other conditions as may be imposed by the Relevant Rules at the relevant time) are met:

- (i) the Mandatory Interest Cancellation Event is of the type described in limb (ii) of the definition of Mandatory Interest Cancellation Event only;
- (ii) the Relevant Regulator has provided its permission to the waiver of, or has otherwise waived, the cancellation of the Interest Payment and has provided the Issuer with written confirmation of the same (and such permission or waiver not having been withdrawn);
- (iii) payment of the Interest Payment would not further weaken the solvency position of the Issuer or the Group; and
- (iv) the Minimum Capital Requirement will be complied with immediately following such Interest Payment, if made.

**Issuer's Distributable Items:**

With respect to and as at any Interest Payment Date, and subject as otherwise defined from time to time in the Relevant Rules, without double-counting, an amount equal to:

- (i) the Distributable Profits of the Issuer, calculated on an unconsolidated basis, as at the last day of the then most recently ended financial year of the Issuer; plus
- (ii) the interim retained earnings (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date; less
- (iii) the interim net loss (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date.

**Interest Payments Discretionary:**

Interest on the Notes will be due and payable only at the sole and absolute discretion of the Issuer, subject to the additional restrictions described in this "*Overview of the Principal Features of the Notes*" and more particularly detailed in the Conditions. Accordingly, the Issuer may at any time elect to cancel any Interest Payment (or any part thereof) which would otherwise be due and payable on any Interest Payment Date, and any such cancellation shall not constitute a default for any purpose.

Any Interest Payment (or relevant part thereof) which is cancelled or which is otherwise not due and payable in accordance with the Conditions shall not become due and shall not accumulate or be payable at any time thereafter, and Noteholders shall have no rights in respect thereof (whether in an Issuer Winding-Up or otherwise) and any such cancellation or non-payment shall not constitute a default or event of default on the part of the Issuer for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes or take any enforcement action under the Notes or the Trust Deed.

**Solvency Condition**

Other than in circumstances where an Issuer Winding-Up has occurred or is occurring, or where a Trigger Event has occurred, all payments under or arising from the Notes or the Trust Deed (including, without limitation, any payments in respect of damages awarded for breach of any obligations but excluding (if applicable) any cash component of the Conversion Shares Offer Consideration) shall be conditional upon the Issuer being solvent at the time for payment by the Issuer and no amount shall be payable by the Issuer under or arising from the Notes and the Trust Deed (including, without limitation, any payments in respect of damages awarded for breach of any obligations but excluding (if applicable) any cash component of the Conversion Shares

Offer Consideration) unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter.

The Issuer will be “**solvent**” for these purposes if (i) it is able to pay its debts owed to Senior Creditors and Pari Passu Creditors as they fall due and (ii) its Assets exceed its Liabilities. Any payment of interest that would have been due and payable but for the Solvency Condition not being satisfied shall be cancelled. For this purpose:

“**Assets**” means the unconsolidated gross assets of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for subsequent events, all in such manner as the Directors may determine.

“**Liabilities**” means the unconsolidated gross liabilities of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for contingent liabilities and for subsequent events, all in such manner as the Directors may determine.

“**Senior Creditors**” means:

- (i) creditors of the Issuer:
  - (a) who are unsubordinated creditors of the Issuer including all policyholders of the Issuer and all beneficiaries under contracts of insurance written by the Issuer (for the avoidance of doubt, the claims of policyholders and such beneficiaries shall include all amounts to which policyholders or such beneficiaries are entitled under applicable legislation or rules relating to the winding-up of insurance companies to reflect any right to receive or expectation of receiving benefits which policyholders or such beneficiaries may have); or
  - (b) whose claims are, or are expressed to be, subordinated to the claims of other creditors of the Issuer (other than those (A) whose claims are in respect of instruments or obligations which constitute, or would but for any applicable limitation on the amount of any such capital constitute Tier 1 Capital of the Issuer or (B) whose claims otherwise rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the Noteholders in an Issuer Winding-Up occurring prior to a Trigger Event); and
- (ii) (if the Issuer determines that the Notes would not be included in the Tier 1 Own Fund Items of the Group at the time of determination unless the holders of some or all of the following securities were Senior Creditors at that time) the holders of all of the Existing Preference Shares (if any remain outstanding) and the holders of securities of the Issuer which, by their terms, rank or are expressed to rank *pari passu* with the Existing Preference Shares in an Issuer Winding-Up occurring prior to a Trigger Event.

**Conversion:**

If a Trigger Event occurs, the Issuer’s obligation to repay the principal amount outstanding on each Note (and to the extent applicable) to pay interest on the Note shall immediately, subject to and as provided in Condition 6 and without any further action required on the part of the Issuer or the Trustee, be irrevocably released and discharged and substituted for an undertaking on the part of the Issuer to issue and deliver Ordinary Shares, credited as fully paid, to the Conversion Shares Depositary to be held on trust for the Noteholders (subject to any Conversion Shares Offer).

**Trigger Event:**

A Trigger Event shall occur if at any time:

- (i) the amount of Own Fund Items eligible to cover the Solvency Capital Requirement is equal to or less than 75 per cent. of the Solvency Capital Requirement;
- (ii) the amount of Own Fund Items eligible to cover the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement; or
- (iii) a breach of the Solvency Capital Requirement has occurred and such breach has not been remedied within a period of three months from the date on which the breach was first observed.

Whether the Trigger Event has occurred at any time shall be determined by the Issuer, and such determination shall (in the absence of manifest error) be binding on the Trustee and the Noteholders.

**Conversion Price:**

The Conversion Price per Ordinary Share in respect of the Notes is £3.885 subject to certain anti-dilution adjustments set out in Condition 6(j).

**Conversion Shares Offer:**

The Issuer may, in its sole and absolute discretion, by giving notice (a “**Conversion Shares Offer Notice**”) to the Noteholders, the Trustee and the Issuing, Paying and Conversion Agent make an election that the Conversion Shares Depository (or any agent(s) on its behalf) will make an offer of all or some of the Eligible Conversion Shares to all or some of the Issuer’s Shareholders at such time, such offer to be at a price (translated if necessary into Sterling at the Prevailing Rate on the date on which such Conversion Shares Offer Price is determined) (the “**Conversion Shares Offer Price**”) not lower than the Conversion Shares Offer Floor Price. For the avoidance of doubt, the Conversion Shares Offer Price may be lower than the Conversion Price.

On or prior to the Final Opt-Out Notice Delivery Date, each Noteholder shall be entitled to give notice to the Conversion Shares Depository in writing that it elects to retain its interest in the Conversion Shares to which it is entitled in respect of some or all of its Notes, such that the Conversion Shares attributable to it in respect of such Notes(s) are not eligible for inclusion in the Conversion Shares Offer (if any) (each such notice being an “**Opt-Out Notice**”).

Upon the expiry of the Conversion Shares Offer Period, the Conversion Shares Depository will provide notice to the Noteholders, the Trustee and the Issuing, Paying and Conversion Agent of the final Conversion Shares Offer Price and of the composition of the Conversion Shares Offer Consideration (and of the deductions to the cash component, if any, of the Conversion Shares Offer Consideration (as set out in the definition of “Conversion Shares Offer Consideration”)) per Calculation Amount and the amount (if any) of any Excess Amount (as defined in the Conditions) per Calculation Amount. The Conversion Shares Offer Consideration shall be held on trust by the Conversion Shares Depository for the Noteholders, and any Excess Amount shall be held on trust by the Conversion Shares Depository for the Issuer until paid to or to the order of the Issuer. The cash component of any Conversion Shares Offer Consideration shall be payable by the Conversion Shares Depository to the Noteholders in Sterling irrespective of whether or not the Solvency Condition is or would be satisfied upon such payment.

Any Conversion Shares Offer, including (without limitation) the procedure for settlement and the time periods for the delivery of all applicable notices, will be made in accordance with Condition 6.

**Conversion Shares Offer Consideration:**

As determined by the Conversion Calculation Agent, in respect of each Calculation Amount of Notes (other than any Opted-Out Note):

- (i) if all of the Eligible Conversion Shares are sold in the Conversion Shares Offer, the *pro rata* share of the cash proceeds from the sale

of such Eligible Conversion Shares attributable to each Calculation Amount converted, if necessary, into Sterling at the Prevailing Rate on the last day of the Conversion Shares Offer Period (less any foreign exchange transaction costs), and rounded to the nearest whole multiple of £0.01, with £0.005 rounded upwards;

- (ii) if some but not all of such Eligible Conversion Shares are sold in the Conversion Shares Offer:
  - (A) the *pro rata* share of the cash proceeds from the sale of such Eligible Conversion Shares attributable to each Calculation Amount translated, if necessary, into Sterling at the Prevailing Rate on the last day of the Conversion Shares Offer Period (less any foreign exchange transaction costs), and rounded to the nearest whole multiple of £0.01, with £0.005 rounded upwards; and
  - (B) the *pro rata* share of such number of Eligible Conversion Shares not sold pursuant to the Conversion Shares Offer attributable to each Calculation Amount (for the purposes of this paragraph (ii)(B), without rounding (but without prejudice to subsequent rounding under Condition 6(p)); and
- (iii) if no Eligible Conversion Shares are sold in a Conversion Shares Offer, the relevant number of Eligible Conversion Shares attributable to each Calculation Amount (for the purposes of this paragraph (iii), without rounding (but without prejudice to subsequent rounding under Condition 6(p)),

subject, in the case of paragraphs (i) and (ii)(A) above, to deduction from any such cash proceeds of an amount equal to the *pro rata* share of any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax or duty that may arise or be paid as a consequence of the transfer of (or any agreement to transfer) any interest in such Eligible Conversion Shares to the Conversion Shares Depository (or Conversion Shares Offer Agent(s) (if any)) as a consequence of the Conversion Shares Offer (but excluding, for the avoidance of doubt, any costs and expenses borne by the purchasers of the Eligible Conversion Shares in the Conversion Shares Offer pursuant to Condition 6(f)(viii));

provided that if the cash component (if any) of the Conversion Shares Offer Consideration in respect of each Calculation Amount determined in accordance with the foregoing (after the deductions referred to in the immediately preceding paragraph) would exceed the product of (a) the Calculation Amount and (b) the proportion (expressed as a percentage) of the Eligible Conversion Shares sold in the Conversion Shares Offer (such excess, the “**Excess Amount**”), the Excess Amount shall not form part of the Conversion Shares Offer Consideration, and shall instead be payable to the Issuer as provided in Condition 6(f)(v).

**Ordinary Shares:**

The Conversion Shares issued and delivered on the Share Delivery Date will be fully paid and non-assessable and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the Share Delivery Date, save as provided in the Conditions.

**Redemption at the Option of the Issuer:**

Subject to certain conditions, the Issuer may at its option redeem all (but not some only) of the Notes on (i) any day falling in the period commencing on (and including) 30 September 2032 and ending on (and including) the First Reset Date or (ii) on any Reset Date thereafter at their principal amount together with any accrued but unpaid interest to (but excluding) the date fixed

for redemption (to the extent that such interest has not been cancelled in accordance with the Conditions).

**Redemption, Variation or Substitution due to Taxation:**

Subject to certain conditions, if a Tax Event has occurred, then the Issuer may, at its option, either:

- (i) redeem all (but not some only) of the Notes at any time at their principal amount, together with any accrued but unpaid interest to (but excluding) the date fixed for redemption (to the extent that such interest has not been cancelled in accordance with the Conditions); or
- (ii) (without any requirement for the consent or approval of the Noteholders) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become or remain, Qualifying Securities.

**Redemption, Substitution or Variation at the Option of the Issuer due to Capital Disqualification Event:**

Subject to certain conditions, if at any time a Capital Disqualification Event has occurred and is continuing, then the Issuer may, at its option, either:

- (i) redeem all (but not some only) of the Notes at any time at their principal amount, together with any accrued but unpaid interest to (but excluding) the date fixed for redemption (to the extent that such interest has not been cancelled in accordance with the Conditions); or
- (ii) (without any requirement for the consent or approval of the Noteholders) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become Qualifying Securities,

provided, however, that no such notice of redemption, substitution or variation shall be given later than the first anniversary of the occurrence of such Capital Disqualification Event.

A “**Capital Disqualification Event**” is deemed to have occurred if as a result of any replacement or change to (or change to the interpretation by any court or authority entitled to do so of) the Relevant Rules, the whole or any part of the principal amount of the Notes is no longer capable of counting as Tier 1 Capital for the purposes of the Issuer or the Group as a whole, whether on a solo, group or consolidated basis, except (in either case) where such non-qualification is only as a result of any applicable limitation on the amount of such capital.

**Optional Redemption for Rating Reasons:**

Subject to certain conditions, if at any time a Rating Methodology Event has occurred and is continuing, then the Issuer may, at its option, either:

- (i) redeem all (but not some only) of the Notes at any time at their principal amount together with any accrued but unpaid interest to (but excluding) the date of redemption (to the extent that such interest has not been cancelled in accordance with the Conditions); or
- (ii) (without any requirement for the consent or approval of the Noteholders) substitute at any time all (but not some only) of the Notes for, or vary at any time the terms of the Notes so that they become, Rating Agency Compliant Securities,

provided, however, that no such notice of redemption, substitution or variation shall be given later than the first anniversary of the occurrence of such Rating Methodology Event.

A “**Rating Methodology Event**” will be deemed to occur if at any time there occurs a change in (or clarification to) the methodology of a Rating Agency

(or in the interpretation of such methodology) as a result of which the “equity credit” (or such other nomenclature as may be used by such Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer’s senior obligations in terms of either leverage or total capital) assigned by such Rating Agency to the Notes is, as notified by such Rating Agency to the Issuer or as published by such Rating Agency, reduced when compared to the “equity credit” assigned by such Rating Agency to the Notes on or around the Issue Date.

**Clean-up redemption at the option of the Issuer:**

Subject to the Redemption and Purchase Conditions, if at any time after the Issue Date, 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 16 will be deemed to have been originally issued) has been purchased and cancelled (or will, prior to any date fixed for redemption pursuant to Condition 7(j), be purchased and cancelled), then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than fifteen (15) nor more than sixty (60) days’ notice to the Trustee, the Issuing, Paying and Conversion Agent, the Registrar and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time at their principal amount, together with any accrued but unpaid interest to (but excluding) the date of redemption (to the extent that such interest has not been cancelled in accordance with the Conditions).

**Purchases:**

Subject to certain conditions, the Issuer and any of its Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price.

**Conditions to Redemption, Substitution, Variation and Purchase:**

To the extent required by the Relevant Regulator pursuant to the Relevant Rules at the relevant time, subject to certain exceptions, the Issuer may not redeem or purchase any Notes at any time unless the following conditions are satisfied:

- (i) prior to any notice of redemption or any substitution, variation or purchase of the Notes, the Issuer will be required to have received permission, consent or due notification of non-objection in writing from the Relevant Regulator (and such permission, consent or non-objection not having been withdrawn) and such redemption, variation or purchase shall be otherwise permitted under the Relevant Rules applicable to it from time to time, and a certificate from any two (2) Directors or other Authorised Signatories of the Issuer confirming such compliance shall be conclusive evidence of such compliance, and may be accepted by the Trustee as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without liability to any person and without further enquiry;
- (ii) in the case of a redemption or purchase that is within five (5) years of the Issue Date of the Notes (or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 16 and consolidated to form a single series with the Notes, within five (5) years of the Issue Date of the latest such Tranche to be issued), such redemption or purchase shall, if required by the Relevant Regulator or the Relevant Rules at the relevant time:
  - (A) be funded out of the proceeds of a new issuance of, or the Notes being exchanged or converted into, Tier 1 Own Fund Items of the same or higher quality than the Notes and shall be otherwise permitted under the Relevant Rules; or
  - (B) in the case of any redemption or purchase pursuant to Condition 7(f) or 7(h), the Relevant Regulator, being satisfied that the Solvency Capital Requirement applicable



to the Issuer will be exceeded by an appropriate margin immediately after such redemption or purchase (taking into account the solvency position of the Issuer and the Group, including by reference to the Issuer's and the Group's medium-term capital management plan); and

- (x) in the case of any such redemption following the occurrence of a Tax Law Change, the Issuer having demonstrated to the satisfaction of the Relevant Regulator that the applicable change in tax treatment is material;
- (y) in the case of any such redemption following the occurrence of a Capital Disqualification Event, the Relevant Regulator considering that the relevant change in the regulatory classification of the Notes is sufficiently certain; and

in either case, the Issuer having demonstrated to the satisfaction of the Relevant Regulator that such change was not reasonably foreseeable as at the Issue Date of the most recent Tranche;

- (iii) in respect of any redemption or purchase of the Notes occurring on or after the fifth anniversary of the Issue Date and before the tenth anniversary of the Issue Date (or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 16 and consolidated to form a single series with the Notes, within ten (10) years but occurring after the fifth anniversary of the Issue Date of the latest such Tranche to be issued) the Relevant Regulator has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the solvency position of the Issuer and the Group, including by reference to the Issuer's and the Group's medium-term capital management plan) at the time of and immediately following such redemption or purchase unless such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are exchanged into, Tier 1 Own Fund Items of the same or a higher quality than the Notes;
- (iv) the Solvency Condition is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Solvency Condition to be breached;
- (v) the Solvency Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Solvency Capital Requirement to be breached;
- (vi) the Minimum Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Minimum Capital Requirement to be breached;
- (vii) no Trigger Event has occurred (disregarding, for this purpose, any Trigger Event in respect of which the Relevant Regulator has permitted a waiver of Conversion as contemplated in Condition 6(d));
- (viii) no Insolvent Insurer Winding-up has occurred and is continuing; and/or
- (ix) any other additional or alternative requirements or pre-conditions to which the Issuer is otherwise subject and which may be imposed by

the Relevant Regulator or the Relevant Rules have (in addition or in the alternative to the foregoing subparagraphs, as the case may be) been complied with (and shall continue to be complied with following the proposed redemption or purchase),

the conditions set out in paragraphs (i) to (ix) (inclusive) above (to the extent required pursuant to the Relevant Rules at the relevant time as aforesaid) being the “**Redemption and Purchase Conditions**”.

Notwithstanding anything to the contrary in Condition 7, the Issuer may waive, at any time, in its sole discretion and for whatever reason, its right to redeem, substitute, or vary the Conditions of, the Notes under any of Condition 7(f), 7(h), 7(i) or 7(j), in each case for a (definite or indefinite) period of time to be determined by the Issuer (the “**Inapplicability Period**”) by notice to the Trustee, the Issuing, Paying and Conversion Agent, the Registrar and, in accordance with the Conditions, the Noteholders and may subsequently terminate any such Inapplicability Period at any time and in its sole discretion by similar notice.

If, on the proposed date for redemption of the Notes, the Redemption and Purchase Conditions are not met, redemption of the Notes shall be suspended and such redemption shall occur only in accordance with Conditions 7(c) and 7(d) to the extent applicable. If, on the proposed date for any purchase of Notes pursuant to Condition 7(k), the Redemption and Purchase Conditions are not met, the purchase of the Notes shall instead be cancelled.

Notwithstanding the above requirements, if at the time of any redemption, variation or purchase, the Relevant Rules permit the redemption, variation or purchase only after compliance with one or more alternative or additional conditions to those set out above (if and to the extent required or applicable in order for the notes to qualify as Tier 1 Capital of the Issuer and/or the Group under the Relevant Rules from time to time), the Issuer shall comply with such alternative and/or additional condition(s) as are then so required (which shall be deemed to be the “**Redemption and Purchase Conditions**”).

**Preconditions to Redemption,  
Substitution or Purchase:**

Prior to the publication of any notice of redemption, variation or substitution pursuant to Condition 7(f), 7(h) or 7(i), the Issuer shall deliver to the Trustee a certificate signed by two (2) Directors or other Authorised Signatories of the Issuer stating that, as the case may be, the Issuer is entitled to redeem, vary or substitute the Notes on the grounds that a Tax Event, a Capital Disqualification Event or a Rating Methodology Event has occurred and is continuing as at the date of the certificate. The Trustee shall accept such certificate as sufficient evidence of the satisfaction of the applicable conditions set out in such paragraphs (without liability to any person) in which event it shall be conclusive and binding on the Trustee and the Noteholders. Upon expiry of such notice the Issuer shall (subject as aforesaid) either redeem, vary or substitute the Notes, as the case may be.

No modification to the Conditions or any other provisions of the Trust Deed shall become effective unless the Issuer shall have given at least one (1) month's prior written notice to, and received no objection (and no revocation of any such non-objection) from, the Relevant Regulator (or such other period of notice as the Relevant Regulator may from time to time require or accept and, in any event, provided that there is a requirement to give such notice).

**Withholding Tax and Additional  
Amounts:**

All payments of principal, interest and any other amounts by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the UK or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall, subject to certain exceptions set out in Condition 9, pay such additional amounts (“**Additional Amounts**”) in respect

of interest payments (but not in respect of any payments of principal or any other amounts) as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been received by them in respect of payments of interest had no such withholding or deduction been required by law to be made.

**Enforcement Events:**

If default is made for a period of 14 days or more in the payment of principal due in respect of the Notes or any of them, the Trustee may at its discretion institute proceedings for an Issuer Winding-Up and/or prove in the winding-up or administration of the Issuer and/or claim in the liquidation of the Issuer for such payment (such claim being as provided in, and subordinated in the manner described in, Condition 3(c) or 3(d) (as applicable)), but may take no further or other action to enforce, prove or claim for any such payment.

No payment in respect of the Notes or the Trust Deed may be made by the Issuer pursuant to Condition 11(a), nor will the Trustee accept the same, otherwise than during or after a winding-up of the Issuer or after an administrator of the Issuer has given notice that it intends to declare and distribute a dividend, unless the Issuer has given prior written notice (with a copy to the Trustee) to the Relevant Regulator and (if and to the extent required by the Relevant Regulator or the Relevant Rules at the relevant time) received permission, consent or due notification of non-objection in writing from the Relevant Regulator (and the Relevant Regulator not having withdrawn such permission, consent or non-objection) which the Issuer shall confirm in writing to the Trustee.

**Substitution of Obligor:**

The Conditions permit the Trustee to agree to the substitution in place of the Issuer of a Substitute Obligor without the consent of Noteholders, subject to certain conditions.

**Governing Law:**

The Notes and the Trust Deed, and any non-contractual obligations arising out of or in connection therewith, will be governed by and construed in accordance with English law.

**Form:**

The Notes will be issued in registered form and represented upon issue by a global certificate (the "**Global Certificate**") which will be registered in the name of a nominee for a common depositary (the "**Common Depositary**") for Clearstream Banking S.A. ("**Clearstream, Luxembourg**") and Euroclear Bank SA/NV ("**Euroclear**") on or about the Issue Date.

**Meetings and resolutions of Noteholders:**

The Conditions and the Trust Deed contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally and to pass resolutions, including Extraordinary Resolutions, which will bind all Noteholders. Any such meeting need not be a physical meeting and instead may be by way of conference call, including by use of a videoconference platform, or a combination of such methods.

**Admission to trading:**

Applications have been made to admit the Notes to trading on the ISM. The ISM is not a regulated market situated or operating within the UK for the purposes of Regulation (EU) 2017/1129 as it forms part of the domestic law of the UK (the "**UK Prospectus Regulation**"). The ISM is a market designated for professional investors.

**Ratings:**

The Notes are expected to be assigned a rating of BBB+ by Fitch and Baa2 by Moody's. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

**UK MiFIR Product Governance/PRIIPs Regulation**

Solely for the purposes of each manufacturer's product approval processes, the manufacturers have concluded that: (i) the target market for the Notes is eligible counterparties and professional clients only; and (ii) all channels for

distribution of the Notes to eligible counterparties and professional clients are appropriate.

**EU PRIIPs Regulation/UK PRIIPs Regulation**

No EU PRIIPs Regulation or UK PRIIPs Regulation KID has been prepared as the Notes are not available to retail investors in the EEA or the UK.

**FCA CoCo Restriction**

No sales to retail clients within the meaning of COBS 3.4 in the UK (as if COBS 22.3 applies to the Notes).

**Use of Proceeds:**

The net proceeds of the issue of the Notes will be used to fund the general business and commercial activities of the Group, including the refinancing of the Group's existing securities.

**Selling Restrictions:**

U.S., EEA and UK Retail Investors, Public Offer under the Regulation (EU) 2017/1129 (the "**Prospectus Regulation**"), Public Offer under the UK Prospectus Regulation, UK, Canada, Republic of Italy, France, Hong Kong, Japan, Singapore and Switzerland. See "*Subscription and Sale*".

The Issuer is Category 2 for the purposes of Regulation S under the Securities Act.

TEFRA not applicable.

**ISIN:**

XS3025344386.

**Common code:**

302534438.

## RISK FACTORS

*The Issuer believes that the following factors, which are specific to the Issuer, may affect its ability to fulfil its obligations under Notes. All of these factors are contingencies which may or may not occur.*

*In addition, risk factors which are specific to the Notes are also described below.*

*The Issuer believes that the factors described below represent the material risks inherent in investing in Notes as at the date of this Offering Memorandum. If any or a combination of these risks actually occurs, the business, results of operations, financial condition and/or prospects of the Group could be materially and adversely affected, which could result in the Issuer being unable to pay interest, principal or other amounts on or in connection with any Notes or materially and adversely affect the trading price of any Notes.*

*Prospective investors should note that the risks relating to the Issuer and the Notes summarised in this section are the risks that the Issuer believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes and the Issuers do not represent that the statements below regarding the risks of investing in the Notes are exhaustive. As the risks which the Issuer faces relate to events and depend on circumstances that may or may not occur in the future, prospective investors should also read the detailed information set out elsewhere in this Offering Memorandum (including any documents which are incorporated by reference herein) and reach their own views prior to making any investment decision.*

*Capitalised expressions used in this section have the definitions ascribed to them in the Conditions, unless otherwise defined in this Offering Memorandum.*

### **Risks relating to the Group's business**

***The Group's businesses are conducted in highly competitive environments.***

There are many factors which affect the Group's ability to sell its products, including fiscal incentives, price and yields offered, financial strength and ratings, range of product lines and product quality, brand strength and name recognition, service levels to customers, fund management performance and historical bonus levels. In some of the Group's markets, it faces competitors that are comparable in size, scope and brand recognition. In some markets, competitors have greater financial resources or greater market share and offer a broader range of products. In certain non-UK markets, the Group faces intense competition from local and international financial institutions, which may be more established in these markets and may have other competitive advantages, such as greater size and breadth, which may limit the Group's ability to be successful in these markets. Local laws and regulations may be tailored to domestic providers, which may pose additional challenges to the Group's business.

The Group's principal competitors in the life market include many of the major financial services businesses including, in particular, Canada Life, Legal & General, M&G, Phoenix and Royal London. The Group's principal competitors in the general insurance market include Admiral, AXA, Allianz, Intact and Zurich. The Group's principal competitors in the savings and investment management market include BlackRock, Fidelity Investments, M&G, Schroders, Aberdeen and State Street Global, as well as the fund management divisions of its principal competitors in the life market, specialised wealth management, investment platform businesses and FinTech companies. Intermediaries, such as price comparison websites, may have the effect of increasing pricing competition between the Group and other insurers, and to the extent they provide an alternative to the Group selling direct to customers, may be able to capture an increasing share of the profit margin the Group earns on its sales.

The Group also faces competitors who specialise in many of the niche markets in which it operates. The Group believes that competition will intensify across all areas in response to factors such as consumer demand, digital and other technological advances, the impact of consolidation, regulatory actions and other factors. In particular, the Group's future competitors rather than existing established insurers may be large technology companies and new entrants better able to exploit the opportunities provided by 'Big Data', analytics and artificial intelligence. This could have an adverse impact on the Group's business, financial condition, results of operations and prospects. The Group's ability to generate revenues and profit depends significantly upon its capacity to anticipate and respond appropriately to these competitive pressures.

***Market fluctuations may cause the value of options and guarantees embedded in some of the Group's life insurance products to exceed the value of the assets backing their reserves, which could adversely affect the Group's results of operations or financial condition.***

As a normal part of their operating activities, various Group companies have given guarantees and options, including interest rate and investment return guarantees, in respect of certain long-term insurance and fund management products. In providing these guarantees and options, the Group's capital position is sensitive to fluctuations in financial variables, including interest rates, property values and equity prices.

Interest rate guaranteed returns, such as those available on guaranteed annuity options, are sensitive to interest rates falling below the guaranteed level. Other guarantees, such as maturity value guarantees and guarantees in relation to minimum rates of return, are sensitive to fluctuations in the investment return below the level assumed when the guarantee was made.

Periods of significant and sustained downturns in equity markets, increased equity volatility or reduced interest rates could result in an increase in the valuation of the future policy benefits or policyholder account balance liabilities associated with such products, resulting in a reduction to net income. The Group uses reinsurance and derivative instruments to mitigate some of the liability exposure and the volatility of net income associated with these liabilities, and while the Group believes that these and other actions mitigate the risks related to these benefits, the Group remains liable for the guaranteed benefit in the event that reinsurers or derivative counterparties are unable or unwilling to pay.

In addition, the Group is subject to the risk that unanticipated policyholder behaviour or mortality, combined with adverse market events, produces economic losses beyond the scope of the risk management techniques employed. These, individually or collectively, may have a material adverse effect on the Group's results of operations, financial condition or liquidity.

***The Group's fund management business may be affected by the poor investment performance of the funds it manages.***

Poor investment returns in the Group's investment management business, due to either general market conditions or underperformance (relative to competitors or to benchmarks) by funds or accounts that it manages, may adversely affect the Group's ability to retain existing assets and to attract new clients or additional assets from existing clients. The ability of the Group's investment team to deliver strong investment performance depends in large part on its ability to identify appropriate investment opportunities in which to invest client assets. If the investment team for any of the Group's strategies is unable to identify sufficient appropriate investment opportunities for existing and new client assets on a timely basis, the investment performance of the strategy could be adversely affected. The risk that sufficient appropriate investment opportunities may be unavailable is influenced by a number of factors, including general market conditions. This could adversely affect the management and incentive fees that the Group earns on assets under management and its results of operations.

***Failure to manage risks in operating securities lending of Group and third-party client assets could adversely affect the Group's results of operations and financial condition and for its fund management operations to lead to a loss of clients and a decline in revenues and liquidity.***

In operating securities lending of Group and third-party client assets, the Group's fund management operations must manage risks associated with (i) ensuring that the value of the collateral held against the securities on loan does not decline in value or become illiquid and that its nature and value complies with regulatory requirements and investment requirements; (ii) the potential that a borrower defaults or does not return a loaned security on a timely basis; and (iii) errors in the settlement of securities, daily mark-to-market valuations and collateral collection. The failure of the Group's fund management controls to mitigate these risks could result in financial losses for the Group and third-party clients that participate in its securities lending programmes. Variable market conditions may also have a material impact on liquidity and asset valuations, both having material adverse effects on the Group's results of operations and financial condition.

***As a holding company, the Issuer is dependent over the medium to long-term on its operating subsidiaries to cover operating expenses and dividend payments.***

As a holding company, the Issuer has no substantial operations of its own. Its principal sources of funding are dividends from subsidiaries, shareholder-backed funds and any amounts that may be raised through the issuance of debt and commercial paper. The Group's insurance and fund management operations are generally conducted through direct and indirect subsidiaries. Certain subsidiaries have regulatory restrictions that may limit the payment of dividends and could prompt a decision to inject capital, which in some more adverse circumstances and over the longer-term could limit the Group's ability to pay dividends to shareholders. This could have a material adverse effect on the Group's business.

Any restrictions on the transferability and fungibility of capital between subsidiaries and the Issuer may result in restrictions to the Group's Solvency UK (as defined below) own funds recognised to the extent these funds cannot be made available to the Issuer within nine months and thus adversely impact the Group's solvency position.

***There is a risk that customer data could be stolen, lost or misused.***

As a financial services group, the Group collects and processes significant amounts of sensitive personal data (including name, address, age, medical details, bank details and other personal data) from its customers, business contacts and employees. Despite the controls put in place, there remains a risk that this data could be stolen, lost, corrupted and/or

misused as a result of an intentional or unintentional act by parties internal or external to the Group, including through the hacking of its IT systems and failure to adequately encrypt data. This could result in fines, the need to compensate customers, the cost of remediation and a negative impact on the Group's reputation with the consequential impact on sales volumes, persistency levels, and third-party managed funds, and hence adversely impact its results of operations.

The Group is required to comply with data protection and privacy laws and industry standards in the UK and the countries of residence of the Group's customers. This includes compliance with the General Data Protection Regulation ((EU) 2016/679) as it forms part of the domestic law of the UK ("GDPR") and the Data Protection Act 2018, which supplements the GDPR. The GDPR increased the maximum levels of fines for compliance failures to 4 per cent. of the Group's global annual turnover.

There is a risk that data collected by the Group and its third-party service providers is not processed in accordance with notifications made to, or obligations imposed by, data subjects, regulators, or other counterparties or applicable law. Failure to operate effective data collection controls could potentially lead to regulatory censure, fines, reputational and financial costs as well as result in potential inaccurate rating of risks or overpayment of claims.

Large organisations, such as the Group, and their suppliers are increasingly becoming targets for cyber-crime and are at risk of nefarious cyber-attacks. The likelihood of such attacks arising has increased as a result of increasing geopolitical tensions globally (including the Russia-Ukraine conflict), particularly if those organisations retain personal information about many people and migrate some of their operations on to digital platforms. The Group is exposed to the risk that the personal data it controls could be wrongfully accessed and/or used, whether by employees or other third parties, or otherwise lost or disclosed or processed in breach of data protection regulations. If the Group or any of the third-party service providers on which it relies fails to process, store or protect such personal data in a secure manner or if any such theft or loss of personal data were otherwise to occur, the Group could face liability under data protection laws. This could also result in damage to the Group's brand and reputation as well as the loss of new or repeat business, any of which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

***The Group operates in certain circumstances through arrangements with third parties, and this may expose it to additional risks.***

The Group outsources certain customer service, technology and legacy policy administration functions to third parties and may enter further similar arrangements in the future. If the Group does not effectively develop, implement and maintain its outsourcing strategy, third-party providers do not perform as anticipated or the Group experiences technological or other problems with a transition to or between such providers, the Group may not realise the full extent of productivity improvements or administration and cost efficiencies and, as a result, may experience operational difficulties, increased costs and a loss of business. Regulatory scrutiny of outsourcing arrangements is expected to remain high and enhancing the general and specific contractual and pre-contractual requirements in connection with outsourcings remains a priority for the PRA following its supervisory statement on outsourcing and third-party risk management which came into effect on 31 March 2022. Failings by the Group outsource partners to perform outsourced functions, or to perform them to the required standards, may adversely affect the Group's reputation and lead to the loss of customers and operating profit or to regulatory fines, notwithstanding any contractual protections and remedies. The Group continues to enhance and integrate measures regarding operational resilience and is compliant with new PRA, Bank of England and FCA regulations (including outsourcing and critical third-party risk management). The transition period to implement these regulations will end on 31 March 2025. This includes a programme of resilience and crisis response testing to ensure customer harm is minimised and the continued financial safety and soundness of the Group's business. Failure to comply with these regulations could give rise to enforcement action from the PRA and FCA.

The Group's fund management operation depends on a number of key vendors for various fund administration, accounting, valuations, custody and transfer agent roles and other operational needs. The failure or inability to diversify sources for key services or the failure of any key vendors to fulfil their obligations could lead to operational issues for the Group and, in certain products, could result in financial losses for its clients and impact its results of operations.

In addition, the Group's ability to exercise management control or influence over its partnership operations, its joint ventures and its investment in them depends on the terms of the legal agreements. In particular, the relationships depend on the allocation of control among, and continued co-operation between, the participants.

The Group may face financial or other exposure in the event that any of its partners fail to meet their obligations under their partnership agreements or encounter financial difficulty. Partnership agreements may also be terminated on certain dates or subject to certain conditions and could be subject to renewal on less favourable terms. A significant proportion of the Group's product distribution, such as bancassurance, is carried out through arrangements with third parties not controlled by the Group and is dependent upon the continuation of these relationships. A temporary or permanent disruption to these distribution arrangements could affect the Group's financial condition.

***The failure to attract or retain the necessary personnel, or to keep existing personnel's skills up to date and in line with the Group's strategy, could have a material adverse effect on its results of operations and/or its businesses.***

The success of the Group operations is dependent, among other things, on its ability to attract and retain highly qualified professional employees. Competition for such key employees is intense. The Group's ability to attract and retain key employees is dependent on a number of factors, including prevailing market conditions, working environment and compensation packages offered by companies competing for the same talent.

Further, heightened competition for talented and skilled employees may adversely impact the Group by limiting its ability to grow businesses as quickly as planned.

***There are inherent funding risks associated with the Group's participation in defined benefit staff pension schemes.***

The Group operates both defined benefit and defined contribution staff pension schemes. In the UK, the Group operates three main pension schemes: the Aviva Staff Pension Scheme ("ASPS"), the Friends Provident Pension Scheme ("FPPS") and the RAC (2003) Pension Scheme ("RACPS"). The defined benefit section of the ASPS was closed to new members in 2002 other than on an exceptional basis and closed to future accruals for all existing members from 1 April 2011. The FPPS has been closed to new members since July 2007 and closed to active membership on 31 December 2012. The defined benefit section of the RACPS was also closed to new members and closed to future accrual in April 2011.

Closure of the defined benefit schemes removes some of the volatility associated with additional future accrual for active members. However, there are still inherent funding risks associated with the defined benefit schemes, which could impact the funding position of the schemes and increase the funding deficit. Interest rate and inflation rate risks are managed using a combination of liability-matching assets and swaps. Exposure to equity and property risk has been reducing over time and credit risk is managed within risk appetite. Currency risk is relatively small and is largely hedged. The other principal risk is longevity risk. This risk has reduced due to the ASPS entering into a longevity swap in 2014 covering a large proportion of pensioner in payment scheme liabilities. Since October 2019 the ASPS has completed multiple bulk annuity buy-in transactions with Aviva Life & Pensions UK Limited ("ALPUK"), a Group company. The RACPS entered into a bulk annuity policy with ALPUK in 2024 covering all of the scheme's members. Formal actuarial valuations normally take place every three years and where there is a deficit, the Group and the trustees would agree a deficit recovery plan. The assumptions adopted for triennial actuarial valuations are determined by the trustees and agreed with the Group and are normally more prudent than the assumptions adopted for IAS 19 purposes, which are best estimates.

The UK pension schemes are subject to statutory requirements with regards to funding and other matters relating to the administration of the schemes. Compliance with these requirements is subject to regular review. A determination that the Group has failed to comply with applicable regulations could have an adverse impact on its results of operations, its relationship with members and the sponsoring employer and could lead to adverse publicity.

***The determination of the amount of allowances and impairments taken on the Group's investments is highly subjective. The Group's process for valuing investments may include methodologies, estimations and assumptions which require judgement and could result in changes to investment valuations. If the Group's business does not perform well, it may be required to recognise an impairment of its goodwill or intangibles with indefinite and finite useful lives, which could adversely affect the Group's results of operations or financial condition.***

The determination of the amount of allowances and impairments varies by investment type and is based upon the Group's periodic evaluation and assessment of known risks associated with the respective asset class. Such evaluations and assessments are revised as conditions change and new information becomes available and additional impairments may need to be taken or allowances provided for in the future. If the carrying value of an investment is greater than the recoverable amount, the carrying value is reduced through a charge to the income statement in the period of impairment. There can be no assurance that management has accurately assessed the level of impairments taken and allowances reflected in its financial statements.

The Group values its fair value securities using designated methodologies, estimations and assumptions. These securities, which are reported at fair value on the consolidated statement of financial position, represent the majority of the Group's total cash and invested assets. The Group has categorised the measurement basis for assets carried at fair value into a 'fair value hierarchy' in accordance with the valuation inputs and consistent with IFRS 13: Fair Value Measurement. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1); the middle priority to fair values other than quoted prices based on observable market information (Level 2); and the lowest priority to unobservable inputs that reflect the assumptions that the Group considers market participants would normally use (Level 3). The majority of the Group's financial assets are valued based on quoted market information (Level 1) or observable market data (Level 2). At 31 December 2024, 13 per cent. of total financial investments, loans and investment properties at fair value were classified as Level 3, amounting to £40,672 million. Where estimates were used for inputs to Level 3 fair values, these were based on a combination of independent third-party evidence and internally developed models, intended to be calibrated to market observable data where possible.



An asset or liability's classification within the fair value hierarchy is based on the lowest level of significant input to the Group's valuation.

Goodwill represents the excess of the amounts paid to acquire subsidiaries and other businesses over the fair value of their net assets at the date of acquisition. The Group tests goodwill and intangible assets with indefinite useful lives at least annually for impairment or when circumstances or events indicate there may be uncertainty over this value. The Group tests intangibles with finite lives when circumstances or events indicate there may be uncertainty over this value. For impairment testing, goodwill and intangibles have been allocated to cash-generating units by geographical reporting unit and business segment. The fair value of the reporting unit is impacted by the performance of the business. Goodwill, negative unallocated divisible surplus and indefinite life intangibles are written down for impairment where the recoverable amount is insufficient to support its carrying value. Such write downs could have a material adverse effect on the Group's results of operations or financial condition.

***Systems errors or regulatory changes may affect the calculation of unit prices or deduction of charges for unit-linked products which may require the Group to compensate customers retrospectively.***

A significant proportion of the Group's product sales are unit-linked contracts, where product benefit is linked to the prices of underlying unit funds. While comprehensive controls are in place, there is a risk of error in the calculation of the prices of these funds due to human error in data entry, IT-related issues or other causes. Additionally, it is possible that policy charges which are deducted from these contracts are taken incorrectly, or the methodology is subsequently challenged by policyholders or regulators and changed retrospectively. Any of these can give rise to compensation payments to customers. Controls are in place to mitigate these risks, but errors could give rise to future liabilities. Payments due to errors or compensation may negatively impact the Group's results of operations or financial condition.

***The Group retains a residual exposure in respect of certain disposed businesses as a result of representations, warranties or indemnities provided.***

In the past the Group has disposed of a number of businesses. The Group retains a residual exposure in respect of certain of these disposed businesses as a result of the representations, warranties or indemnities provided, and the continued provision of certain services by agreement for a transitional period after completion. Although it is not anticipated that the Group will be required to pay any substantial amount pursuant to any claim that may be made in respect of such representations, warranties or indemnity obligations, if any such amounts payable in future are substantial, this could have an adverse effect on the financial condition and/or results of the Group.

***All of the Group's businesses are subject to operational risks, including the risk of direct or indirect loss resulting from inadequate or failed internal and external processes, systems and human error or from malicious acts by third parties or external events.***

The Group's business is dependent on processing a large number of complex transactions across numerous and diverse products. Furthermore, the long-term nature of the majority of the Group's business means that accurate records have to be maintained for significant periods.

The Group's systems and processes on which it is dependent to serve its customers are designed to identify appropriately and address the operational risks associated with its activities. However, they may nonetheless fail due to IT malfunctions, human error, intentional disruption through the hacking of the Group's IT systems, phishing attacks, planting of malware by third parties or by other means, business interruptions, non-performance by third parties or other external events and failure of disaster recovery arrangements. This could disrupt business operations resulting in material reputational damage and the loss of customers and have a consequent material adverse effect on the Group's results of operations and financial condition. Although the Group has taken steps to upgrade systems and processes to reduce these operational risks, the Group cannot anticipate the details or timing of all possible operational and systems failures which may adversely impact its business. The increasing sophistication of cyber criminals and the importance of digital interaction with the Group's customers to its strategy means the inherent risk of failure of its operations due to the malicious acts of third parties is expected to increase, exacerbated by escalating geopolitical tensions (including as a result of the Russia-Ukraine conflict) which have the potential to lead to state-sponsored attacks on the cyber security of the Group and its key suppliers.

The Group's businesses are exposed to risk from potential non-compliance with laws and regulations, employee misconduct or negligence and fraud, which could result in regulatory sanctions and serious reputational or financial harm. This includes the risk of non-compliance with anti-money laundering legislation and financial sanctions, in particular arising as a result of the Russia-Ukraine conflict. In recent years, a number of multinational financial institutions have suffered material losses due to the actions of 'rogue traders' or other employees. Though the Group takes precautions to prevent and detect this activity, it is not always possible to completely deter employee misconduct, and this risk could impact the Group's business and reputation.

***The Group's risk management methods may leave it exposed to unidentified, unanticipated or incorrectly quantified risks, which could lead to material losses or material increases in liabilities. In particular, the Group's risk mitigation strategies may prove less effective than anticipated, including in relation to its reinsurance arrangements.***

The Group has in place risk management policies, procedures and assessment methods to identify, assess and control risks to avoid or limit potential losses or liabilities. However, such policies, procedures and assessment methods may not be fully effective in identifying and mitigating the risk exposure of such businesses in all market environments or against all types of risk. Unanticipated or incorrectly quantified risk exposures and/or inadequate or incorrect responses to these risk exposures could result in a material adverse effect on the Group's business, results of operations and/or financial condition.

The Group employs a range of risk mitigation strategies including the use of equity, interest rate and credit derivatives and reinsurance arrangements to reduce market, credit and insurance risks. A range of different modelling approaches are used to derive and evaluate the strategies adopted. The breakdown of the assumptions used in these modelling approaches, which may occur during market dislocations, could cause these risk mitigation strategies to be less effective than anticipated and thereby adversely affect the Group's financial condition and results of operations.

The Group currently uses the reinsurance markets primarily to limit its risk, to support growth and to manage its capital more efficiently. The Group is exposed to concentrations of risk with individual reinsurers due to the nature of the reinsurance market and the restricted range of reinsurers that have acceptable credit ratings. The Group is also exposed to any systemic failure in the reinsurance market. The Group operates a policy to manage its reinsurance counterparty exposures, by limiting the reinsurers that may be used and applying strict limits to each reinsurer. Reinsurance exposures are aggregated with other exposures to ensure that the overall counterparty risk is within the Group's risk appetite. The Group's asset and liability management and risk functions have an active monitoring role with escalation to the Chief Financial Officer, the Group's asset liability and executive risk committees and the Board's risk committee as appropriate.

Reductions in risk appetite among reinsurers may result in changes in price or willingness to reinsure certain risks, which could have a material adverse effect on the Group's results of operations or financial condition. If reinsurers do not offer to renew their products and services, in whole or in part, for any reason, there is a risk that the Group may be unable to procure replacement cover for any reinsurance agreements terminated at rates equivalent to those of the terminated cover, or at all, and the Group may be exposed to un-reinsured losses during any interim period between termination of the existing agreements and the start of any replacement cover.

While reinsurance makes the assuming reinsurer liable to the Group to the extent of the risk ceded, it does not discharge the Group from its primary obligation to pay under an insurance policy for losses incurred. Accordingly, the Group remains primarily liable for the reinsured risks without regard to whether the reinsurer meets its reinsurance obligations to the Group. Therefore, the Group is exposed to disputes on, and defects in, contracts with its reinsurers, challenges to claims asserted against reinsurers and the possibility of default by its reinsurers. This is particularly relevant with respect to large or novel claims. The insolvency of any reinsurers or their inability or refusal to pay claims under the terms of any of their agreements with the Group could therefore significantly increase the Group's exposure to losses and have a material adverse effect on the Group's financial condition and results of operations. Collectability of reinsurance is largely a function of the solvency of reinsurers. Significant reinsurance purchases are reviewed annually by the Group to verify that the levels of protection being bought reflect any developments in exposure and its risk appetite.

***The Group is reliant on IT systems and there are risks that the Group's current and legacy systems cannot be made to adapt to growth in the business, new technology or new styles of doing business being adopted by the Group's competitors.***

Key IT initiatives may not deliver what is required either on time or within budget or provide the performance levels required to support the current and future needs of the business. Significant resources are devoted to maintaining and developing IT systems to keep pace with developments within the insurance and fund management industries, reduce the risk of error and to maintain service levels and availability at acceptable levels. Failure to do so could result in the inability to gather information for pricing, underwriting and reserving, to attract and retain customers, detect insurance fraud, or meet regulatory requirements or only to do so at excessive cost. Therefore, this could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Failure to understand and react to the impact of new technology and its effect on customer behaviour and how the Group distributes products could potentially result in the Group's business model becoming obsolete. Emerging technology, such as artificial intelligence and quantum computing, may be used against the Group with malicious intent and may result in further competition in the markets in which the Group operates. While the Group's strategy is to digitally enable end-to-end customer journeys, it may not achieve this as quickly and effectively as its competitors. As has been seen in other business sectors, it is possible that alternative digitally enabled providers of financial service products emerge with lower cost business models or innovative service propositions and capital structures, disrupting the current competitive landscape. This could result in the Group losing business to new entrants which could have an adverse impact on the Group's business, financial condition, results of operations and prospects.

***The Group's acquisitions and other corporate transactions may not realise expected benefits and may divert management attention and other resources and involve risks of undisclosed liabilities and integration issues.***

In past years, the Group has completed a number of acquisitions, including the UK protection business of American International Group, Inc on 9 April 2024 and Probitas Holdings (Bermuda) Limited on 10 July 2024, and the Group may

undertake further acquisitions in the future. On 23 December 2024, the Issuer announced it had reached an agreement on the terms of a recommended cash and share offer for Direct Line Insurance Group Plc (“**Direct Line**”). See the risk factors below in the section entitled “*Risks relating to the Acquisition of Direct Line*”.

Growth by acquisition involves risks that could adversely affect the Group’s operating results, including the substantial amount of management time and other resources that may be diverted from operations to pursue and complete acquisitions, or risks of undisclosed liabilities or integration or separation issues. The integration of any future acquisition may not be successful or in line with the Group’s expectations and any acquired businesses may fail to achieve, in the near or long term, the financial results projected or the strategic objectives of the relevant acquisition (such as cost savings or synergies) and, once acquired, may continue to divert further management attention and resources or necessitate changes in Group strategy. The inability to realise expected benefits from such transactions may adversely affect the Group’s results of operations.

***The implementation of the Group’s strategy may not proceed as expected.***

The Group’s strategy, which may be revised from time to time, may involve carrying on business in new markets, developing capabilities to carry out new business activities, reducing expenses to make the business more cost efficient and competitive, expanding or reducing the scope of certain types of business activity, distribution channels or products and reorganising the Group in a manner which is appropriate for such business development changes, taking into account legal, regulatory, operational, capital and other requirements. The implementation of any strategy, changes in strategy, adoption of any new strategy, Group reorganisation and/or entry into new markets could entail significant changes in the Group’s business which may entail higher levels of risk or could adversely affect the results of operations, the financial condition and/or the credit and financial strength ratings of the Group.

The Group may be unable to execute, or may encounter difficulties or delays in successfully executing, its business and strategic goals which are subject to the risks set out herein and other factors that are currently unforeseen and which may be beyond its control. Moreover, activist investors have increasingly become engaged and interventionist in recent years, which may also pose a threat to the Group’s strategic goals. Failure to achieve any or all strategic goals, or the encounter of undue delay or unforeseen costs in implementing such goals, could adversely affect the Group’s results of operations and financial condition, as well as its reputation and standing in the marketplace.

***The Group is rated by several rating agencies, and a decline in any of these ratings could affect its standing among customers, broker-dealers, agents, wholesalers and other distributors of the Group’s products and services and cause its sales and earnings to decrease.***

A rating downgrade, or the perceived potential for such a downgrade, of the Group or any of its rated insurance subsidiaries may, among other things, materially increase the number of policy surrenders and withdrawals by policyholders of cash values from their policies, as ratings principally inform public confidence in the Group’s products. The outcome of such activities may be cash payments requiring the sale of invested assets, including illiquid assets, at a price that may result in realised investment losses. These cash payments to policyholders would result in a decrease in total invested assets and a decrease in net income. Among other things, early withdrawals may cause the Group to accelerate amortisation of policy acquisition costs, which would reduce net income. A rating downgrade may also impact sales volumes, particularly in Canada, where there is more focus by brokers on ratings when evaluating similar products. The rating provided by S&P is considered to be the most important for distribution in Canada, and a downgrade could lead to a significant loss of sales and the termination of some distribution agreements. A significant rating downgrade may adversely impact the Group by increasing the Group’s cost of borrowing or limiting its access to some forms of financing.

***The Group is dependent on the strength of its brand, the brands of its partners and its reputation with customers and agents in the sale of its products and services.***

The Group’s results are, to a certain extent, dependent on the strength of its brand and reputation. While the Group is well recognised, it is vulnerable to adverse market and customer perception. The Group operates in an industry where integrity, customer trust and confidence are paramount. The Group is exposed to the risk that litigation, employee misconduct, operational failures, the outcome of regulatory investigations, press speculation and negative publicity, disclosure of confidential client information, inadequate services, amongst others, whether true or not, could impact its brand or reputation. The Group’s brand and reputation could also be affected if products or services recommended by it (or any of its intermediaries) do not perform as expected (whether or not the expectations are realistic) or in line with the customers’ expectations for the product range. Such events, which cannot be readily controlled, could adversely affect its results of operations and financial condition.

***The Group’s customers may withdraw assets under management at short notice.***

The Group derives significant revenue from management fees, the quantum of which is based on the value of assets under management. A proportion of the Group’s funds permit investors or customers to reduce the aggregate amount of their investment with no, or only short periods of, notice, or to withdraw altogether from such portfolios or contracts. If interest rates rise, stock markets decline or the Group’s investment performance underperforms, the pace of redemptions and

withdrawals could accelerate. A significant or systemic withdrawal of assets under management would result in lower management fees and therefore lower revenues and, depending on the extent of such withdrawals, could impact the Group's results of operations and financial condition.

Redemptions and withdrawals of investment assets may also be requested more quickly than assets can be sold to meet such redemptions and withdrawals, or market volatility and illiquidity may make it difficult to assign values to assets, especially in respect of funds holding relatively illiquid assets such as property. In such circumstances, the Group may be forced to suspend customer redemptions or take other mitigating measures. Although the Group attempts to maintain the pricing of investment funds and sufficient liquidity to meet customer redemptions, there have been examples in recent years for the Group and other asset managers where this has not always been possible, particularly during periods of economic or political uncertainty. In such cases, it may be (and has previously been) necessary or prudent for the Group temporarily to suspend trading in the affected fund or funds. Such temporary suspensions could impact the Group's reputation, financial condition and results of operations.

***The Group may not be able to protect its intellectual property and may be subject to infringement claims by a third-party.***

The Group's primary brand in the UK ("Aviva") is a registered trademark in the UK and elsewhere. The Group owns and trades under other registered or pending trademarks in the UK and elsewhere (such as Succession Wealth, General Accident, Quotemehappy, Wealthify and Probitas), including EU trademarks having effect in the entire EU. The Group relies on a combination of contractual rights, copyright and trademark laws to establish and protect its intellectual property. Although the Group uses a broad range of measures to protect its intellectual property rights, third parties may infringe or misappropriate its intellectual property. The loss of intellectual property protection or the inability to secure or enforce the protection of the Group's intellectual property assets could have a material adverse effect on its business and its ability to compete.

Third parties may have, or may eventually be issued, patents or other protections that could be infringed by the Group's products, methods, processes or services or could limit its ability to offer certain product features. In recent years, there has been increasing intellectual property litigation in the financial services industry challenging, among other things, product designs and business processes. If a third-party were to successfully assert an intellectual property infringement claim against the Group, or if the Group were otherwise precluded from offering certain features or designs, or utilising certain processes, it could have a material effect on its business, results of operations and financial condition.

***The use of inaccurate assumptions in pricing and reserving for insurance business may have an adverse effect on the Group's business profitability.***

The Group's life insurance companies are required to make a number of assumptions when pricing, underwriting and reserving in relation to the business concerned. These assumptions are based on a number of factors including market data and historical experience, estimates and individual expert judgements in respect of known or potential future changes as well as statistical projections of what the Group believes will be the costs and cash flows of its assets and liabilities. Pricing and reserving factors include the mortality and morbidity rates of the Group's customers (the proportion of customers dying or falling sick or recovering from illness), the development of corporate bond yields and defaults, equity and property market values, interest rates, persistency rates (the proportion of customers retaining existing policies and continuing to pay premiums up to their maturity dates), the exercise by customers of options included within their policies and future levels of expenses. By their nature, these assumptions may prove to be incorrect.

When establishing their liabilities, the Group's life insurance companies allow for changes in the assumptions made, monitor their experience against the actuarial assumptions used and assess the information gathered to refine their long-term assumptions, together with taking actual claims experience into account. However, it is not possible to determine precisely the total amounts that will ultimately be paid under the policies written by the business as amounts may vary from estimates. Changes in assumptions may also lead to changes in the level of capital required to be maintained, meaning that the Group may need to increase the amount of the Group's reserves. This could have a material adverse impact on the Group's value, the results of its operations and financial condition.

The Group's management of the general insurance business requires it to make a number of assumptions in relation to the business written. These assumptions include the costs of writing the business and settling claims, which are subject to expense and claims inflation and the frequency and severity of claims. The assumptions may turn out to be incorrect, thereby adversely impacting on the Group's profit. Additionally, man-made disasters, including accidents and intentional events, are particularly difficult to predict with any degree of accuracy. These would have an adverse impact on the Group's profit due to higher than expected claims.

Furthermore, outstanding claims provisions for the general insurance business are based on the best-estimate ultimate cost of all claims incurred but not settled at a given date, whether reported or not, together with related claims handling costs. Any provisions for re-opened claims are also included. A range of methods, including stochastic projections, may be used to determine these provisions. Underlying these methods are a number of explicit or implicit assumptions relating to the expected settlement amount and settlement pattern of claims. If the assumptions underlying the reserving basis

were to prove incorrect, the Group might have to increase the amount of the general insurance provisions, which would adversely impact its financial condition or results of operations.

***If the Group is unable to continually attract and retain talented, quality financial advisers, the Group may fail to achieve its strategy for its Wealth business, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.***

The Group's financial advisory business, comprising Succession Wealth and Aviva Financial Advice, is an important distribution channel for its pension and retirement products and solutions, and for retaining pension customer funds on retirement. Succession Wealth and Aviva Financial Advice depend on their ability to continually attract, train and retain high calibre financial advisers in a competitive market. High calibre financial advisers are a key element to driving growth and delivering net client cash flows within the Group. The Group's efforts to attract and retain suitably qualified advisers may require significant continued investment to ensure such advisers do not prefer the Group's competitors, including potentially with regard to long-term incentive plans. If the Group is unable to retain and attract high quality qualified advisers, the Group may fail to achieve its strategy or achieve the anticipated benefits of its strategy, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

In addition, the Group may, in light of market conditions or a shift in its strategy, change the advice proposition it offers and/or the range of advice services or products offered by it. Any such change may, in turn, lead to attrition of such advisers who have different views as to the advice proposition or range of services or products that are attractive to customers. If the Group loses a material number of high calibre advisers, either as a result of factors outside of the Group's control or factors within the Group's control (such as failure to offer competitive incentive plans, deliver good service or different views as to the advice proposition or range of services or products offered), the Group may be unable to replace such losses, which could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

### **Risks relating to the Acquisition of Direct Line**

This section should be read together with the Issuer's announcement "*Recommended Cash and Share Offer for Direct Line Insurance Group plc by Aviva plc*" published on 23 December 2024 (the "**Acquisition Announcement**") and the "*Recommended Cash and Share Offer for Direct Line Insurance Group plc by Aviva plc*" scheme document published on 10 February 2025 (the "**Scheme Document**"), each as incorporated by reference herein. Terms defined in the Acquisition Announcement and the Scheme Document shall, where the context admits, have the same meaning in this section.

On 23 December 2024, the Issuer announced that the boards of the Issuer and Direct Line had reached agreement on the terms of a recommended cash and share offer for Direct Line (the "**Acquisition**"). On 10 March 2025, Direct Line announced that the requisite majority of Scheme Shareholders voted in favour of the resolution to approve the Scheme and the requisite majority of Direct Line Shareholders voted in favour of the Special Resolution to implement the Scheme. For further information on the proposed Acquisition, see the Acquisition Announcement and the Scheme Document.

#### ***The Acquisition is subject to certain conditions which may not be satisfied or waived***

Completion of the Acquisition is subject to certain conditions being satisfied (or, if permitted, waived). A summary of the principal conditions to which the Acquisition is subject is set out at paragraph 17 of the Acquisition Announcement and the conditions are set out in full in Appendix 1 to the Acquisition Announcement. The conditions must be satisfied, or where permitted, waived, by the Long Stop Date (subject to the Takeover Code). However, the Acquisition is currently expected to complete in mid-2025.

There is no guarantee that the conditions will be satisfied in the necessary time frame (or waived, if applicable). The applicable regulatory authorities have discretion in imposing conditions in granting their consent, which could result in a delay in Completion of, or a decision not to complete, the Acquisition. Failure to satisfy (or, where permitted, waive) these conditions may result in the Acquisition not being completed.

Delay in completing the Acquisition will prolong the period of uncertainty for the Aviva Group and both delay and failure to complete the Acquisition may result in the accrual of additional costs to the business without any of the potential benefits of the Acquisition having been achieved.

The Issuer's ability to invoke a condition (other than the conditions set out in paragraphs 1, 2(a), 2(b), 2(c) and 3(d) of Part A of Appendix 1 to the Acquisition Announcement) either to lapse its offer or to delay completion of the Acquisition is subject to the Panel's consent. In granting its consent, the Panel would need to be satisfied that the underlying circumstances are of "material significance" to the Issuer in the context of the Acquisition and this is a high threshold to fulfil. Consequently, there is a significant risk that the Issuer may be required to complete the Acquisition even where certain conditions have not been satisfied or where a material adverse change has occurred to the Direct Line Group. If

any of the events described above were to occur, they may result in additional costs and/or the delay or the failure (partial or otherwise) to realise the financial benefits and synergies relating to the Acquisition identified by the parties or may otherwise impact the Issuer's strategy and operations.

***The Combined Group's success will be dependent upon its ability to integrate the Direct Line Group and deliver the value of the combined underlying businesses; the financial benefits and synergies expected from the Acquisition may not be fully achieved***

The Combined Group's future prospects will, in part, be dependent upon the Combined Group's ability to integrate the Direct Line Group successfully, without disruption to the existing business.

The integration process following Completion may be more complex than anticipated. Successful integration will require a significant amount of management time and may affect the ability of the management team of the Combined Group to run the business effectively during the period of integration and to execute the Group's existing strategic priorities. If the integration process proves more difficult than is anticipated, there is a risk to the operational performance of the Combined Group.

The Combined Group will face various challenges when integrating the Direct Line Group into the Group, including, among others, harmonising ways of working and integration of employee groups, standardising policies and procedures, processes and systems, aligning shared values, integrating brands and legal entities and retention of key employees of the Combined Group. If the Combined Group does not properly manage these challenges, they may affect the effective running of the business in the ordinary course and the efficient allocation, including redeployment, of resources in the Combined Group, and could impair the ability of the Combined Group to execute properly the integration of the Direct Line Group.

Whilst the Directors of the Issuer believe that the Acquisition will achieve material cost and capital synergies, and that these have been reasonably estimated, unanticipated events, liabilities, tax impacts or unknown pre-existing issues may arise or become apparent (whether as a result of a decision or action taken by a regulator with jurisdiction over the Combined Group's business or otherwise) which could result in the costs of integration being higher and the realisable benefits/synergies being lower than expected, resulting in a material adverse effect on the business, results of operations, financial condition and/or prospects of the Combined Group. No assurance can be given that the integration process will deliver all or substantially all of the expected benefits within the assumed time frame.

***The prospect of Completion could disrupt the businesses of the Aviva Group and/or the Direct Line Group, which could have material adverse effects on the business, financial condition, results of operations and prospects of the Group, Direct Line Group or the Combined Group***

The prospect of Completion could disrupt the businesses of the Aviva Group and the Direct Line Group. For example, current and prospective customers may, in response to the announcement of the Acquisition, terminate, change or defer their custom, which could materially and adversely affect the revenues and profits of the Aviva Group or the Direct Line Group and/or any anticipated growth in revenues. Furthermore, some current and prospective employees of the Direct Line Group or the Aviva Group may experience uncertainty about their future roles within the Combined Group, which may adversely affect the Direct Line Group's and the Aviva Group's abilities to retain or recruit key managers and other employees.

If the Aviva Group and/or the Direct Line Group fail to manage these risks effectively, the business and financial results of the Aviva Group, the Direct Line Group and/or the Combined Group could be adversely affected. In addition, the Aviva Group may incur higher than expected transaction and integration-related costs.

***No inclusion of Direct Line historical financial information or any pro-forma financial information of the Combined Group in this Offering Memorandum***

The Acquisition, if completed, would result in a significant increase in the size of the Issuer's consolidated balance sheet. The Issuer does not have, and to date has not had, any control (financially, legally or operationally) over Direct Line, and the Issuer has not had any oversight over the preparation of the audited financial statements of Direct Line. Accordingly, this Offering Memorandum does not contain or incorporate by reference the audited financial statements of Direct Line or any other historical financial statements of Direct Line.

Furthermore, this Offering Memorandum does not contain or incorporate by reference any *pro forma* historical financial information illustrating the combined financial position and results of operation of the Combined Group, given that: (i) at the date of this Offering Memorandum, the Issuer does not control Direct Line, and therefore does not have direct access to the books and records of Direct Line; and (ii) while both the Issuer and Direct Line apply International Financial

Reporting Standards as adopted by the UK (“IFRS”), their respective accounting policies and classification of primary financial statement items may differ and such differences cannot currently be properly and accurately assessed and adjustments made to appropriately align the various financial statement items. Accordingly, the Issuer considers that any *pro forma* historical financial information for the Combined Group, if prepared at this time, would be inherently subject to the risk that it would be inaccurate.

As a result of the above, prospective investors should consider that there is uncertainty as to the actual effect that the Acquisition will have on the Issuer’s consolidated financial position and results of operations.

***Due diligence conducted by the Issuer may not have revealed all of the risks associated with the Acquisition***

While the Issuer has been granted access to Direct Line’s senior management for the purposes of confirmatory due diligence, as is customary, it has not had access to sufficiently detailed information about Direct Line to finalise its plans regarding the integration of the Combined Group.

The Issuer cannot be certain that its due diligence investigation has revealed all relevant facts and circumstances that may be necessary or helpful in evaluating the merits of the Acquisition, the existence of which could have a material adverse effect on the financial condition, business, results of operations or prospects of the Issuer or the Combined Group. Such facts and circumstances may include (without limitation): any material actual, contingent or prospective liabilities, including legal, regulatory, pensions and tax liabilities; the level and status of Direct Line’s non-performing assets; regulatory conduct or compliance issues; any issues relating to violations of sanctions, anti-money laundering laws, anti-bribery and corruption laws, or other fraudulent or illegal activities; or any IT system failures or weaknesses, including data breaches. Any such events or circumstances which come to light in the future could, individually or in aggregate, result in significant additional costs and liabilities that are not described in this Offering Memorandum, have a material adverse effect on the financial condition, business, results of operations or prospects of the Issuer, and/or result in reputational harm.

***The structure, capital, leverage and liquidity profile of the Combined Group remains uncertain***

If the Acquisition proceeds, it will affect the capital, leverage, and liquidity, of the Issuer. In the Acquisition Announcement, the Issuer announced that it expects the transaction to result in a Group Solvency UK coverage ratio towards the upper end of its 160-180 per cent. working range, before capital synergies are recognised over time. It further expects its Solvency UK debt leverage ratio to increase slightly to approximately 31-32 per cent. at Completion and is expected to return to below 30 per cent. over time. The Issuer expects centre liquidity to remain about £1 billion post-Completion. These estimates are based on a number of assumptions and dependencies, have been prepared by the Issuer for illustrative purposes only and, by their nature, they do not necessarily represent the actual positions which will exist following completion of the Acquisition. Prospective investors should not place reliance on any such estimates and should have regard to the cautionary notes regarding forward-looking statements contained and incorporated by reference in this Offering Memorandum.

**Risks relating to the Issuer’s industry**

***Ongoing difficult conditions in the global financial markets and the economy generally may adversely affect the Group’s business and results of operations, and these conditions may continue.***

The Group’s results of operations are materially affected by actual and perceived uncertainty in the worldwide financial markets and macroeconomic conditions generally.

A wide variety of factors, including concerns over low or negative economic growth, high sovereign debt, the re-emergence of a sovereign debt crisis in highly indebted European countries and a political deadlock in the U.S. over the raising of the U.S. debt ceiling could cause investors to lose confidence in the safety and soundness of financial institutions and the stability of the global economy and financial system. Concerns over the stability and solvency of banks and financial institutions internationally, rising interest rates, the unwinding of central bank asset purchase schemes in developed markets and inflationary pressures could increase volatility in financial markets.

Geopolitical issues in, and emanating from, the Russia-Ukraine conflict, tensions in the Middle East, Taiwan and the South China Sea and North Korea could impact global financial markets. The ongoing strain in global trade relations with the U.S. resulting in increased import tariffs (including retaliatory tariffs), and other trade restrictions and sanctions, may contribute to increased volatility in financial markets. For example, the potential for increased tariffs and/or trade restrictions between the U.S. and Canada may impact supply chains, which may in turn impact the Group’s Canadian business. These factors have the potential to diminish growth expectations for the global economy which are characterised by a higher number of economic risks than expected in a normal economic cycle.

The Group's results of operations are materially affected by actual and perceived uncertainty in the worldwide financial markets and macroeconomic conditions generally.

In a sustained economic phase of low growth and high public debt, characterised by higher unemployment, lower household income, lower corporate earnings, lower business investment and lower consumer spending, the demand for financial and insurance products could be adversely affected. In addition, the Group may experience an elevated incidence of claims or surrenders of policies or claims of mis-selling. Any potential material adverse effect on the Group will be dependent upon customer behaviour and confidence.

As a result of these market exposures, the Group's financial position and results of operations may be subject to significant volatility and negative effects, particularly if such effects are prolonged. Such effects may include, inter alia: (i) a general reduction in business activity and market volumes which affects fees, commissions and margins from customer driven transactions and revenues, and from sales of insurance products; (ii) market downturns which are likely to reduce the level and valuations of assets managed on behalf of clients, thereby reducing asset based and performance based fees; (iii) reduced market liquidity, limiting trading and arbitrage opportunities and presenting impediments for managing risks, impacting both trading income and performance based fees; (iv) a reduced value in assets held for the Group's own account if trading positions fall in value; (v) increased impairments and defaults on credit exposures and on trading and investment positions, which losses may be exacerbated by falling collateral values; (vi) increased collateral requirements under derivative and other financial instruments; (vii) increased costs of hedging against market risks such as equity or interest rate exposure; (viii) pressure to reduce equity and/or debt investments or maintain additional capital in respect of such holdings; (ix) an increase in technical provisions and capital requirements in response to market related stress tests; and (x) a requirement to hold a larger proportion of liquid assets in order to offset the impact of a reduction in market liquidity on a company's ability to meet payment obligations.

The interdependence of global financial institutions means that the failure of a sufficiently large and influential financial institution could materially disrupt global securities markets or clearance and settlement systems in the markets. This could cause severe market decline or volatility. Such a failure could lead to a chain of defaults by counterparties that could materially adversely affect the Group. This risk, known as 'systemic risk', could adversely impact the Group's future product sales as a result of reduced confidence in the financial services industry. It could also adversely impact the Group's results because of market declines and write downs of assets.

***The occurrence of future pandemics may affect the Group's business and the global economy more widely.***

The Group's business could be affected by future pandemics and their consequential impacts on mortality, morbidity, financial markets, business interruption, travel disruption and public liability with respect to the Group's customer. Possible causes of future pandemics include new vaccine resistant variants of the COVID-19 virus, human to human transmission of avian influenza (H5N1), antimicrobial resistance, novel viruses and other pathogens.

As experienced during the COVID-19 pandemic, in response to a future pandemic, governments may make legislative and regulatory changes that adversely affect the Group's business and its operations, including imposing measures designed to contain the outbreak, business closures, travel restrictions, stay-at-home orders and prohibition of gatherings and events. As such measures are often rapidly introduced and varying in their nature, the Group is exposed to heightened risks as it may be required to implement large-scale changes quickly. Such measures may lead to an economic downturn in the countries in which the Group operates and the global economy more widely, as well as declines in financial markets and in the value of investment assets (which could in each case be widespread, severe and long lasting). This may adversely impact the Group's results, own funds and solvency cover ratio.

As an insurer, the Group could be impacted by a future pandemic through its general insurance products primarily as a result of adverse claims experience arising from disruption to business and travel insured by the Group notwithstanding policy wording exclusions; its life protection products as a result of increased mortality; its savings products as a result of potentially lower future premiums and higher future outflows; and its income protection, critical illness and health insurance products as a result of increased morbidity. Changes in policyholder behaviour, such as travel frequency and increased working from home, could have adverse or favourable impacts on claims experience. Uncertainty over claims litigation could result in insurance claims net of reinsurance recoveries arising from the COVID-19 pandemic being higher than currently reserved for.

As a result of the above factors, the business, results of operations, corporate reputation and financial condition of the Group could be adversely impacted for a substantial period of time.

***Changes to interest rates and interest rate volatility may adversely affect the Group.***

The Group is exposed to changes in the shape and level of yield curves and changes in the correlation of interest rates with different financial instruments (including debt obligations of the Group where these are determined or priced according to a floating interest rate). Interest rate risk arises primarily from the Group's investments in debt and fixed income securities and how they move relative to the insurance liabilities. The Group actively manages its exposure to interest rate risk.



*Risks arising from a material fall in interest rates*

A material fall in interest rates may increase the Group's technical provisions and/or the amount of regulatory capital that the Group is required to hold due, in particular, to the impact on the Group's balance sheet risk margin and solvency capital requirements ("SCR").

In addition, the Group's investment portfolios contain instruments which are sensitive to interest rates, such as fixed income securities, and which may be adversely affected by changes in interest rates, both in the short (market valuation) and long-run. For the latter, a decline in interest rates, or a prolonged low or negative interest rate environment, may cause borrowers to prepay or redeem fixed income securities, commercial mortgages and mortgage-backed securities in the Group's investment portfolio with greater frequency in order to capitalise on lower rates. This could force the Group to reinvest proceeds from investments which have matured or been prepaid or sold at lower yields, reducing the Group's investment margin, which may materially affect its results of operations.

The Group also remains exposed to the risk of falls in interest rates negatively impacting the rate of return on investments available to support new annuity contracts or annuity and annuity like contracts sitting outside the matching adjustment portfolio. During periods of declining interest rates, the guarantees within existing products may be more attractive to consumers, resulting in increased premium payments on products with flexible premium features, and a higher percentage of insurance policies remaining in force from year to year, during a period when the Group's new investments carry lower returns.

Additionally, the Group earns profits in relation to bonuses for policyholders declared on its with-profits products, which are broadly based on historical and current rates of return on equity, real estate and fixed income securities, as well as the Group's expectations of future investment returns. This profit could be lower in a sustained low interest rate environment, which could, in turn, adversely affect the Group's business, financial condition, results of operations and prospects.

*Risks arising from a material increase in interest rates*

Conversely, while rising interest rates in isolation of other risk factors are likely to be beneficial to the Group's regulatory solvency capital position in the short-run, over a longer period this could be more than offset by the negative impact of credit downgrades, counterparty defaults, claims and maintenance expenses and lapse rates, triggered by increasing interest rates and the possible consequential negative impact on the macroeconomy. Similarly, the Group's fee income may decrease due to a decline in the value of the Group's asset managers' fixed-income assets under management and unit-linked reserves, which could result in lower management fees. In addition, the Group as an issuer of securities may be required to pay higher interest rates on debt securities, debt and bank facilities, and may face an increase in the cost of repurchase agreements and the cost of derivatives hedging transactions, which may increase the Group's interest expenses.

Large short-term cash flow requirements may arise from the collateral calls generated by the Group's portfolio of interest rate hedging instruments such as interest rate swaps, options, swaptions and futures. Although the Group seeks to ensure that it has adequate collateral arrangements in place to support such transactions, there can be no assurance that these arrangements will always be sufficient, particularly in the event of sudden large upward changes in interest rates and times of severe market volatility, as that which was experienced in UK Government gilts market in late September 2022 necessitating Bank of England intervention.

In addition to interest rate risk arising out of general market conditions (as further described in the risk factor entitled "*Ongoing difficult conditions in the global financial markets and the economy generally may adversely affect the Group's business and results of operations, and these conditions may continue*" above), benchmark reforms are on-going (as further described in the risk factor entitled "*Reforms to EURIBOR or other "benchmarks" could adversely affect any Notes linked to such "benchmarks"*" below). The resulting uncertainty around the impact of these changes on financial instruments could increase the interest rate risk faced by the Group.

***Credit spread volatility may adversely affect the net unrealised value of the Group's investment portfolio and its results of operations.***

The Group's exposure to credit spreads primarily relates to market price variability associated with changes in credit spreads in its investment portfolio. These are largely held to maturity, so although the Group's financial statements reflect the market value of assets, its priority remains the management of assets and liabilities over the longer-term. Credit spread moves may be caused by changes in market perceptions of the creditworthiness of a company, or from market factors such as the market's risk appetite and liquidity. A widening of credit spreads will generally reduce the value of fixed income securities the Group holds. Conversely, credit spread tightening will generally increase the value of fixed income securities the Group holds. It can be difficult to value certain of the Group's securities if trading becomes less liquid. Accordingly, valuations of investments may include assumptions or estimates that may have significant period-to-period changes that could have a material adverse effect on the Group's consolidated results of operations or financial condition. Downturns in the net unrealised value of the Group's investment portfolio may also have a material adverse effect on the Group's Solvency UK balance sheet surplus, despite the Group setting aside significant capital for credit risk.

***Losses due to defaults by counterparties, or changing market perceptions as to the risk of default, including potential sovereign debt defaults or restructurings, could adversely affect the value of the Group's investments and reduce its profitability and shareholders' equity.***

The Group chooses to take and manage credit risk through investment assets partly to increase returns to policyholders whose policies the assets back, and partly to optimise the return for shareholders.

The Group has significant exposure to third parties that owe it money, securities or other assets who may not perform under their payment obligations. These parties include private sector and government (or government-backed) issuers whose debt securities the Group holds in its investment portfolios (including mortgage-backed, asset-backed, government bonds and other types of securities), borrowers under lifetime residential and commercial mortgages and other loans, re-insurers to which the Group has ceded insurance risks, customers, trading counterparties, and counterparties under swap and other derivative contracts. The Group also executes transactions with other counterparties in the financial services industry, including brokers and dealers, commercial and investment banks, hedge funds and other investment funds, insurance groups and institutions. Many of these transactions expose the Group to the risk of counterparty default.

With respect to secured transactions, the Group's credit risk may be increased when the collateral held by it cannot be realised or is liquidated at prices insufficient to recover the full amount of the loan or other value due. The Group also has exposure to financial institutions in the form of unsecured debt instruments and derivative transactions. Such losses or impairments to the carrying value of these assets could materially and adversely affect the Group's financial condition and results of operations.

The Group uses reinsurance and hedging programmes to hedge various risks, including certain guaranteed minimum benefits contained in many of its long-term insurance and fund management products. These programmes cannot eliminate all of the risks and no assurance can be given as to the extent to which such programmes will be effective in reducing such risks. The Group enters into a variety of derivative instruments, including options, forwards, interest rate and currency swaps, with a number of counterparties. The Group's obligations under its fund management and life products are not changed by its hedging activities and it remains primarily liable for its obligations, even if its derivative counterparties default. Defaults by such counterparties could have a material adverse effect on the Group's financial condition, results of operations and profitability (to the extent any collateral mechanism, if such a mechanism is in place, fails).

The Group is also susceptible to an adverse financial outcome from a change in third-party credit standing. As well as having a potential impact on asset values and, as a result, the Group's financial condition and results of operations, credit rating movements can impact its solvency position where regulatory capital requirements are linked to the credit rating of the investments held. Such movements in the credit standing of third parties could impact on the Group's solvency, profitability and shareholders' equity.

***Changes in short or long-term inflation may cause policyholders to surrender their contracts, increase the size of the Group's claims payments and expenses and reduce the value of its investments, which could adversely affect the Group's results of operations and financial condition.***

Although the rate of inflation has declined since its peak at the end of 2022, there is a risk of reemergence of elevated rates of inflation due to supply chain issues, labour shortages and rising energy costs, increasing the risk that further rises in interest rates, above current market expectations, will be necessary. Escalation in the Israel-Gaza and other geopolitical conflicts could impact the supply of energy and other critical commodities, adding further pressure to the current inflationary trend. A prolonged period of high inflation may develop into slow or stagnant economic growth if combined with slowing economic expansion and elevated unemployment.

The Group is subject to inflation risk through its holdings of fixed interest and other investments and as a result of the potential for the cost of claims and expenses to rise faster than anticipated in the Group's pricing or reserving. Bodily injury claims, due to their frequently long-term nature, expose the Group to the risk of inflation in long-term care costs, in particular care worker wages and the cost of treatments. Such inflation in long term care costs is difficult to hedge, as the relevant costs may evolve differently over time to the retail price index, to which most hedging instruments are linked. Changes in inflation could also affect the value perceived to be offered by the Group's policies and so adversely affect persistency levels. The Group provides certain products to customers, primarily annuities, where the policy benefit is linked to retail price inflation and the Group is therefore exposed to the risk of inflation to the extent this has not been hedged.

***Falls in equity or property prices could have an adverse impact on the Group's investment portfolio and impact on its results of operations and shareholders' equity.***

The Group is subject to equity and property price risk due to holdings of equities and investment properties in a variety of locations worldwide. Downturns in equity markets will depress equity prices and have a negative impact on the Group's capital position in that unrealised losses in its net investment portfolio will increase, and its defined benefit pension scheme surplus/deficit will reduce/increase as the market value of scheme assets invested in equities decreases. See

*“Ongoing difficult conditions in the global financial markets and the economy generally may adversely affect the Group’s business and results of operations, and these conditions may continue”* above.

Downturns and volatility in equity markets can have a material adverse effect on the revenues and returns from the Group’s unit-linked, participating and fund management business. The unit-linked and fund management business depends on fees related primarily to the value of assets under management and would therefore be reduced by declines in equity and property markets. Profit could also be reduced as a result of current investors withdrawing funds or reducing their rates of on-going investment with the Group’s fund management companies, or switching to lower risk funds generating lower income, or as a result of the Group’s fund management companies failing to attract funds from new investors. Similarly, bonuses credited to participating policyholders will reduce following declines in equity and property markets and this will generally lead to reductions in transfers to shareholders.

Downturns in equity markets may also have a material adverse effect on the Group’s regulatory capital surplus as measured under Solvency UK.

The Group provides certain guarantees within some of its products that protect policyholders against significant downturns in the equity markets. In volatile or declining equity market conditions, the Group may need to increase liabilities for future policy benefits and policyholder account balances, negatively affecting net income.

For direct property investment and its portfolio of commercial and residential mortgages, the Group is subject to counterparty, valuation and liquidity risks. These investments may be adversely affected by weakness in commercial and residential property markets and increased mortgage delinquencies. The Group is also subject to property risk indirectly in its investments in residential mortgage-backed securities and commercial mortgage-backed securities and covered bonds. There is the risk that the underlying collateral may fall in value causing the investment in securities to fall in value, and be insufficient to cover any outstanding mortgage loans which default. The markets for these property investments and instruments can become illiquid, and issues relating to counterparty credit ratings and other factors may increase pricing and valuation uncertainties. The Group is indirectly exposed to property risk through its UK commercial finance lending. In addition, the Group’s lifetime residential mortgages include a no-negative equity guarantee which transfers to the Group an exposure to loss as a result of low house price inflation. The fall in prices of any such investments due to such risks could adversely affect the Group’s results of operations, shareholders’ equity and financial condition.

***Fluctuations in currency exchange rates may adversely affect the Group’s results of operations and financial condition.***

The Group operates internationally and is exposed to foreign currency exchange risk arising from fluctuations in exchange rates of various currencies. For the year ended 31 December 2024, approximately 25 per cent. of the Group’s insurance revenue from continuing operations arose in currencies other than sterling, and its net assets were denominated in a variety of currencies, of which the largest are sterling, the euro and Canadian dollar. In managing the Group’s foreign currency exposures, it does not hedge revenues as these are substantially retained locally to support the growth of the business and meet local regulatory and market requirements. Nevertheless, the effect of exchange rate fluctuations on local operating results could lead to significant fluctuations in the Group’s consolidated financial statements upon translation of the results into sterling. Although the Group takes certain actions to address this risk, foreign currency exchange rate fluctuation could materially adversely affect its reported results due to unhedged positions or the failure of hedges to effectively offset the impact of the foreign currency exchange rate fluctuation. Any adverse foreign currency exchange fluctuation may also have a material adverse effect on the Group’s regulatory capital surplus based on Solvency UK.

***Adverse capital and credit market conditions may adversely affect the Group’s financial flexibility in addressing liquidity needs, as well as access to and the cost of capital which could adversely affect its results of operations or financial condition.***

At Group level, the Group needs some of its invested assets to be liquid to pay its operating expenses, taxes, interest on its debt, dividends on its capital stock and to repay maturing debt. At an operational level the Group needs liquidity and sufficient cash flow sources to meet insurance claims. Without sufficient liquidity, the Group could be forced to curtail its operations and the Group’s business would suffer. The principal sources of the Group’s liquidity are insurance premiums, annuity considerations, deposit funds and cash flow from its investment portfolio and assets, consisting mainly of cash or assets that are readily convertible into cash. Sources of liquidity in normal markets also include a variety of short and long-term instruments, including repurchase agreements, commercial paper, medium and long-term debt, junior subordinated debt, securities, capital securities and stockholders’ equity.

The Group holds certain investments that may lack liquidity such as commercial and lifetime residential mortgages, real estate, privately placed fixed-maturity securities, and unlisted equities. The valuations of such assets are based on inputs which are not directly observable in the market. The inputs used reflect the assumptions that the Group considers market participants would normally use based on a combination of independent third-party evidence and internally developed models, intended to be calibrated to market observable data where possible. These are known as Level 3 asset classes in the Group’s fair value hierarchy and represented 13 per cent. of total financial investments, loans and investment properties held at fair value as of 31 December 2024. Even some higher-quality assets may become more illiquid as has been experienced in challenging market conditions in the past.

The reported value of the Group's relatively illiquid types of investments, its investments in the asset classes described in the paragraph above and, at times, its higher-quality, generally liquid asset classes, do not necessarily reflect the lowest current market price for the asset. If the Group were forced to sell certain of its assets in the current market, there can be no certainty that it would be able to sell them for the prices at which it has recorded them and it may be forced to sell them at significantly lower prices.

The Group may refinance existing financing arrangements and may, in exceptional circumstances, need to seek additional financing to supplement liquidity available from internal resources. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the overall availability of credit to the financial services industry and the market's perception of the Group's financial condition. Disruptions and uncertainty or volatility in the capital and credit markets, as has been experienced in the past, in particular throughout the eurozone, may exert downward pressure on availability of liquidity and credit capacity for certain issuers and, if access to liquidity is constrained for a prolonged period of time, may limit the Group's access to capital required to operate and grow its business at a sustainable cost. Adverse market conditions may limit the Group's ability to replace, in a timely manner, maturing debt, satisfy statutory capital requirements and generate fee income and market related revenue to meet liquidity needs.

As such, the Group may be forced to reduce its dividends, defer interest payments or redemptions, delay raising capital, issue shorter-term securities than it prefers, or bear an unattractive cost of capital which could decrease profitability and reduce financial flexibility. The Group's results of operations, financial condition and cash flows could be materially adversely affected.

***The Group has a significant exposure to annuity and lifetime mortgage business and a significant life insurance risk is associated with longevity.***

Longevity statistics are monitored in detail, compared with emerging industry trends, and the results are used to inform both the reserving and pricing of annuities. It is likely that uncertainty will remain in the development of future longevity that cannot be mitigated.

A strengthening in the longevity assumption for the Group's annuity business, either to reflect changes in the underlying life expectancy (for example, as a result of healthier lifestyles, improved screening programmes or increased availability or effectiveness of medical treatments) of the population or of the Group's particular portfolio used to calculate the Group's long-term business liabilities, would result in an increase in these reserves and reduce shareholders' equity.

The Group's lifetime residential mortgages have some exposure to the life expectancy of borrowers. While a general increase in longevity would have the effect of increasing the total amount repayable under the relevant lifetime mortgages, it will also, all other things being equal, increase the average loan to value ratio of the Group's lifetime mortgages and could increase the risk of the Group not being repaid in full as a consequence of the no-negative-equity guarantees that the Group provides to customers in connection with all of its lifetime mortgages. If the Group is not repaid in full in respect of such lifetime mortgages, this could have a negative impact on the Group's results of operations and financial condition.

***Uncertainty surrounding the UK's future relationship with the EU may have a negative effect on UK economic conditions, financial markets and the Group's business.***

On 1 January 2021, the EU-UK Trade Agreement came into effect and since that date, the UK has been treated by the EU as a third country. The EU-UK Trade Agreement is limited in its scope with respect to financial services. The EU has a number of unilateral reserved powers in relation to third countries, which impact trade and market access depending on whether the EU considers the third country's regulations to be equivalent to the EU's, in particular with respect to financial services and data protection. While the European Commission has determined that the UK's data protection regime is adequate, this decision is time limited and must be reviewed by June 2025. There is also a risk that the European Commission's decision on data adequacy could be subject to legal challenge.

The Group's business could be adversely impacted by retaliatory action in the event of non-compliance by either party to the EU-UK Trade-Agreement, in particular with respect to the Northern Ireland protocol or changes in EU financial services regulation affecting third countries. Other potential adverse outcomes include restrictions on the Group's European businesses to delegate asset management activities back to the UK, on use of UK branches of EU insurers for passporting under EU freedom of services and legal challenge invalidating the EU's recognition of the UK's data protection regime as adequate which, in the absence of mitigating actions, could restrict the transfer of data between the Group's EU operations and the UK.

The Financial Services and Markets Act 2023 provides for a number of changes to the regulatory architecture in the UK applicable to the Group. Amongst other things, it contains provisions that would allow for specified 'onshored' EU legislation to be revoked and replaced by legislation or rules made by HM Treasury or UK regulatory authorities. See further the risk factor entitled "*The regulatory capital regime applying to the Group is extensive and subject to change, and a failure to comply with this regime could have a variety of negative regulatory and operational implications for the Group*" below.

***As a global business, the Group is exposed to various local political, regulatory and economic conditions, business risks and challenges which may affect the demand for its products and services, the value of its investment portfolios and the credit quality of local counterparties.***

The Group offers products and services in the UK, Europe, North America and the Asia Pacific region through wholly owned and majority owned subsidiaries, joint ventures, companies in which the Group holds non-controlling equity stakes, agents and independent contractors. The Group's international operations expose it to local political, regulatory, business and financial risks and challenges which may affect the demand for its products and services, the value of its investment portfolio, the required levels of capital and surplus, and the credit quality of local counterparties. These risks include, for example, political, social or economic instability in countries in which the Group operates, the global impact and spread of diseases, discriminatory regulation, credit risks of the Group's counterparties, lack of local business experience in certain markets, risks associated with exposure to insurance industry insolvencies through policyholder guarantee funds or similar mechanisms set up in markets in which the Group is present and, in certain cases, risks associated with the potential incompatibility with foreign partners, especially in countries in which the Group is conducting business through entities which it does not control. Some of the Group's international insurance operations are, and are likely to continue to be, in emerging markets where these risks are heightened. The Group's business could be adversely affected by this as the Group's overall success as a global business and the results of its operations depend, in part, upon its ability to succeed in different economic, social and political conditions.

***The failure to understand and respond effectively to sustainability-related risks could adversely affect the Group's achievement of its strategy.***

Sustainability is one of the Group's four strategic pillars. The business environment in which the Group operates is continually changing and the ways in which the Group could be affected by sustainability issues are diverse and are interconnected. Sustainability is crucial to the Group's success and that of the companies in which the Group invests. A failure to address and embed consideration of sustainability within the Group's products, business and operating model could adversely impact the Group's business.

In March 2021, the Group set an ambition to become a net zero carbon company by 2040, whilst also recognising that the Group does not have full control over the delivery of this ambition. In particular, government action on policy and development of new technologies remain of fundamental importance to create the conditions for success.

Given these dependencies, there is potentially a risk that the Group may be unable to deliver its operational, investment and underwriting sustainability ambitions. In addition, the Group may be unable to meet the growing expectations of regulators, customers and other stakeholders in large organisations to play a positive role in society and contribute to addressing environmental, social and business challenges. There is increasing regulation and regulatory scrutiny of the labelling of products and funds as having sustainability credentials and communications and marketing to that effect (see the risk factor entitled "*The Group's regulated businesses may be subject to further extensive regulatory supervision in the future both in the UK and internationally*" below). Such inability to manage sustainability demands and challenges could have a significant impact on the Group's reputation (e.g., due to greenwashing risks), business, financial condition, results of operations and/or future prospects.

Diversity, equity and inclusion is also a key sustainability theme of the Group, emphasising the importance of a diverse workforce. Being a workplace ally, valuing people with different experiences and taking action to support colleagues from all backgrounds plays an important role in making the Group a more inclusive place to work. Failure by the Group to recognise this could result not only in negative media coverage, but also in the ability of the Group to recruit and retain talent, which could have a significant impact on the Group's reputation, business, financial condition, results of operations and/or future prospects.

***Climate change may increase the frequency and/or severity of general and life insurance claims and make it more difficult to provide insurance cover at prices customers can afford.***

Climate change may result in the Group's pricing being based on inadequate or inaccurate data or inappropriate assumptions, and may cause the Group to incorrectly estimate future increases in the frequency and severity of claims. As a result, the Group could underprice risks, which could negatively affect its loss ratio for general insurance business, or the Group could overprice risks, which could reduce its business volume and competitiveness. Climate change may mean that it is no longer commercially viable for the Group and its competitors to provide flood and windstorm insurance cover at an affordable price to an increasing proportion of the population in the markets in which it operates and it is unclear what future governmental public and regulatory policy response to this market failure would be. The Group could also be subject to insurance claims where it has provided liability cover to customers subject to litigation to recover losses incurred as a result of climate change. There are potential impacts on health and mortality of those the Group insures through its life and health protection products and, although the Group expects this to be gradual over the very long term, it will require consideration within its pricing and long-term liability matching strategies.

***The impacts of physical, transition and corporate risks associated with climate change could adversely affect the Group's results of operations and its strategy.***

The Group's exposure to climate change falls into three broad categories: physical effects, transition to a low carbon future, and corporate. Physical risks, particularly to property assets arising from severe weather events; and transition risks from the move to a low carbon economy, which will impact the value of those investments associated with higher levels of greenhouse gas emissions, are interlinked. Continued emissions will increase physical risks, and limiting the impacts will require substantial emission reductions which will in turn increase transition risks. There is potential that certain climate change related risk factors have not yet been fully priced in by financial markets with the risk that sudden late government policy action in response to a failure to achieve emission goals leads to potentially large and unanticipated shifts in asset valuations for industries that are required to rapidly move to a net zero emission position. The corporate risk is the impact on the Group from exposure to the regulatory censure or climate-related litigation risks, or adverse customer perception of the Group. This may be through loss of franchise value, directly through fines or costs due to adverse investor sentiment resulting from poor alignment with sustainability rating expectations. A failure to identify and limit financial exposures to impacted asset classes could adversely impact the Group's profitability, financial condition and customer perceptions. Currently regulatory focus is on improving the transparency of reporting, for example through disclosures mandated by the Task Force on Climate-Related Financial Disclosures, the FCA's Sustainability Disclosures Regime and anti-greenwashing rules. If climate considerations are not effectively integrated into the Group's operation, underwriting and investment decisions, or its fiduciary and stewardship duties, this could adversely impact the value and the future performance of its investment assets.

***Catastrophic events, which are often unpredictable by nature, could result in material losses and abruptly and significantly interrupt the Group's business activities and results of operations.***

The Group's business is exposed to volatile natural and man-made disasters such as pandemics, hurricanes, windstorms, earthquakes, terrorism, riots, fires and explosions. Such events may not only affect insurance claims for physical damage, business interruption and travel disruption, but could also adversely impact investment markets and cause declines in the value of the Group's investment portfolio. Over the past several years, changing weather patterns and climatic conditions have added to the unpredictability and frequency of natural disasters in certain parts of the world and created additional uncertainty as to future trends and exposure.

The Group's life and health insurance operations are also exposed to the risk of catastrophic mortality and morbidity, such as a pandemic or other event that causes a large number of deaths and incidence of sickness. The effectiveness of external parties, including governmental and non-governmental organisations, in combating the spread and severity of such a pandemic could have a material impact on the losses experienced by the Group (see the risk factor above entitled '*The occurrence of future pandemics may affect the Group's business and the global economy more widely*').

The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Most catastrophes are restricted to small geographic areas; however, pandemics, hurricanes, earthquakes and man-made catastrophes may produce significant damage in larger areas, especially those that are heavily populated. Catastrophic events could also harm the financial condition of the Group's reinsurers and thereby increase the probability of default on reinsurance recoveries and could reduce the Group's ability to write new business. Furthermore, pandemics, natural disasters, terrorism and fires could disrupt the Group's operations and result in significant loss of property, key personnel and information about its clients and its business if its business continuity plans fail to cope with the scale or nature of the catastrophe. Such events could adversely affect the Group's business, results of operations, corporate reputation and financial condition for a substantial period of time.

Furthermore, market conditions beyond the Group's control determine the availability and cost of the reinsurance protection it purchases. Accordingly, the Group may be forced to incur additional expenses for reinsurance or may not be able to obtain sufficient reinsurance on acceptable terms, which could adversely affect its ability to write future business.

***The Group may become exposed to a variety of Lloyd's of London market related risks.***

Following the acquisition of Probitas Holdings (Bermuda) Limited and its subsidiary managing agency and other entities ("**Probitas**") and entering into the Lloyd's of London market ("**Lloyd's**"), the Group has become exposed to a variety of Lloyd's-related risks. For instance, Probitas' ability to underwrite business is dependent on Lloyd's regulatory approval of Probitas' managing agency and Lloyd's credit rating, solvency position and the maintenance of Lloyd's own licence and approvals. In addition, by being a member of Lloyd's, Probitas has committed to certain financial and operational obligations, including to make contributions to funds at Lloyd's, including the "Central Fund", from time to time. In addition, if the PRA imposes more stringent regulatory capital requirements on Lloyd's or Probitas directly, or if the solvency position of Lloyd's deteriorates, Probitas or the Group may be called upon to make additional capital contributions to support the solvency position of Lloyd's. Should any such Lloyd's-related risks materialise from time to time, they could materially and adversely affect the Group's financial condition and results of operations.

## **Risks relating to regulation and legislation**

***The regulatory capital regime applying to the Group is extensive and subject to change, and a failure to comply with this regime could have a variety of negative regulatory and operational implications for the Group.***

Directive 2009/138/EC of the European Union (as amended) (“**Solvency II**”), which governs insurance industry regulation and prudential capital requirements in the EU, including associated Implementing Technical Standards and guidelines, became effective in EU member states on 1 January 2016. This Solvency II directive was amended in November 2024, with member states having two years to incorporate the amendments into domestic law; the amended rules are therefore unlikely to apply to the Group’s remaining insurance businesses in the EU before the end of 2026.

In the UK, HM Treasury is reforming its capital regime to move from Solvency II to a new UK prudential regime for insurers, which will be known as ‘Solvency UK’ (“**Solvency UK**”). In particular, HM Treasury has undertaken a review of Solvency II and has consulted on reforms to ensure that it properly reflects the unique structural features of the UK insurance sector. Following this review, HM Treasury made changes to the rules on risk margin, which took effect from 31 December 2023 and which reduced the risk margin significantly. Further reforms to areas including the eligibility rules for matching adjustment and reductions of reporting and administrative requirements took effect from 30 June 2024. The remainder of the new regime came into force on 31 December 2024 (including by way of new PRA rules, supervisory statements and statements of policy).

The Group applied for, and has been granted, approval by the PRA to use the following measures when calculating its Solvency UK capital requirements: the use of an internal model, the matching adjustment for UK annuities, and transitional measures including the Transitional Measure on Technical Provisions. The transitional measures are being phased out over a 16-year period which began on 1 January 2016. With effect from 1 January 2025, a simplified approach was introduced to the calculation of the transitional measures for the remainder of the transitional period to 2032 which allows for their continuous recalculation with smooth run-off. While the new method is not intended to materially alter firms’ ongoing amount of transitional measures on technical provisions compared to the existing approach, it is possible that this change may affect the results of future recalculations.

There is a risk that in the future changes are required to be made to the approved internal model and these related applications, which could have a material impact on the Group Solvency UK capital position. In particular, on 26 July 2024, the PRA published Supervisory Statement SS5/24: Funded reinsurance, which clarified the PRA’s expectations about how firms’ internal models should capture all material and quantifiable risks in connection with exposure to reinsurers underfunded reinsurance arrangements. Where internal model changes are subject to regulatory approval, there is a risk that the approval is delayed or not given. In such circumstances, changes in the Group’s risk profile would not be able to be appropriately reflected in the Group’s internal model, which could have a material impact on the Group’s Solvency UK capital position.

In December 2024, the International Association of Insurance Supervisors (“**IAIS**”) (i) endorsed an updated common framework for the supervision of internationally active insurance groups (“**ComFrame**”) and (ii) adopted the insurance capital standard (“**ICS**”), which is a risk-based measure of capital adequacy for internationally active insurance groups. The IAIS set high-level timelines for the implementation of the ICS across jurisdictions and, in particular, aims to start detailed jurisdictional assessments of ICS implementation in 2027.

***The Group’s regulated businesses are subject to current extensive regulatory supervision both in the UK and internationally.***

#### *Overview*

The Group is subject to extensive laws and regulations that are administered and enforced by a number of different governmental authorities and non-governmental agencies, including the PRA, the FCA and other regulators. These authorities may seek to exercise their supervisory or enforcement authority in new or more robust ways. All of these possibilities, if they occurred, could affect the way the Group conducts its business and manages its capital, and may require the Group to satisfy increased capital requirements.

Insurance regulation in the UK and the regulations that apply to the Group’s subsidiaries in Ireland are largely based on the requirements of EU directives. Inconsistent application of directives by regulators in different EU member states and the UK may place the Group at a competitive disadvantage to other European financial services groups. In addition, changes in the local regulatory regimes could affect the calculation of the Group’s solvency position. Following the UK leaving the EU, the UK and EU solvency framework and prudential regulation regimes have started to diverge with more significant divergence expected with the introduction of ‘Solvency UK’.

The Group’s insurance subsidiaries and branches worldwide are subject to detailed and comprehensive government regulation in each of the jurisdictions in which they conduct business. Regulatory agencies have broad administrative power over many aspects of the insurance business, which may include premium rates, marketing and selling practices, advertising, licensing agents, policy forms, capital adequacy and permitted investments, as well as the operational resilience frameworks of insurers. Government regulators are concerned primarily with the protection of policyholders rather than the Group’s shareholders or creditors.

The failure of any of the Group’s subsidiaries to meet minimum capital and surplus requirements could subject the Group to further examination or corrective action imposed by insurance regulators, including limitations on its ability to write additional business, increased supervision by regulators or the implementation of resolution plans. Any corrective action

imposed could have a material adverse effect on the Group's business, results of operations and financial condition. A decline in minimum capital and surplus amounts may also limit the ability of an insurance subsidiary to make dividend payments or distributions and could be a factor in causing rating agencies to downgrade the Group's financial strength ratings, which could have a material adverse effect on its business, results of operations and financial condition. Over and above regulatory minimum capital and surplus requirements, regulators in the countries in which the Group operates may deem it necessary to impose restrictions on dividend distributions by the Group and its subsidiaries in the event of a significant financial market or insurance event which creates uncertainty over the future capital and solvency position of the Group and its subsidiaries. Any restrictions on the transferability and fungibility of capital between subsidiaries and the Group may impact the ability of the Group to pay dividends and may result in restrictions to the Group's Solvency UK own funds recognised to the extent these funds cannot be made available to the Group within nine months and thus adversely impact the Group's solvency position.

#### *UK regulation*

In the UK, the Group's business is subject to regulation by both the PRA and the FCA, which have broad powers, including the authority to grant, vary the terms of, or cancel a regulated firm's authorisation, to investigate marketing and sales practices, to make product intervention rules and to require the maintenance of adequate financial resources. The PRA and the FCA have the power to undertake a range of investigative, disciplinary or enforcement actions, including public censure, restitution, fines or sanctions and to require firms to pay compensation.

The PRA and the FCA may make enquiries of the companies which they regulate regarding compliance with regulations governing the operation of business and, similar to the other UK regulated financial services companies, the Group faces the risk that the PRA or the FCA could find that the Group has failed to comply with applicable regulations or has not undertaken corrective action as required.

In recent years, issues associated with poor conduct have been a significant source of cost and reputational damage to the financial services industry which have attracted increased scrutiny from regulators. This is of particular focus in the UK given the FCA's implementation in July 2023 of the consumer duty on regulated firms (the "**Consumer Duty**") (see the risk factor below entitled "*The Group's regulated businesses may be subject to further extensive regulatory supervision in the future both in the UK and internationally*").

Issues and disputes may arise from time to time from the way in which the insurance industry or fund management industry has sold or administered an insurance policy or other product or in the way in which they have treated policyholders or customers, either individually or collectively, which may result in investigative, disciplinary or enforcement actions by the FCA or PRA or require the making of redress to customers.

Where larger groups or matters of public policy are concerned, the PRA and the FCA may intervene directly to provide redress to customers or to reduce the risk of harm to customers. There have been several industry-wide issues in which the PRA or the FCA has intervened directly, including the sale of personal pensions, the sale of mortgage-related endowments and investments in split capital investment trusts and sale of payment protection insurance.

#### *Regulation outside of the UK*

Outside of the UK, the Group's businesses are regulated by local regulators that often have similar powers to the PRA and the FCA and the exercise of these powers could therefore have a similar negative impact on perceptions of its businesses or have a material adverse effect on its business.

#### *Customer compensation schemes*

Furthermore, various jurisdictions in which the Group operates, including the UK, have created customer compensation schemes that require mandatory contributions from market participants in some instances in the event of a failure of another market participant. As a major participant in the majority of the Group's chosen markets, circumstances could arise where the Group, along with other companies, may be required to make such contributions. The Group (like all other groups in which an entity is PRA and/or FCA regulated) contribute to the Financial Services Compensation Scheme and the levels of contribution to the Financial Services Compensation Scheme may change over time.

A determination that the Group has failed to comply with applicable regulation could have a negative impact on its results of operations or on its relations with current and potential customers. Regulatory action against a member of the Group could result in adverse publicity for, or negative perceptions regarding, the Group, or could have a material adverse effect on its business, its results of operations and financial condition and divert management's attention from the day-to-day management of the business.

***The Group's regulated businesses may be subject to further extensive regulatory supervision in the future both in the UK and internationally.***

#### *Future development in regulation*

The Group will not always be able to predict the impact of future legislation or regulation or changes in the interpretation or operation of existing legislation or regulation on its business, results of operations and financial condition. Changes in



government policy, legislation or regulatory interpretation applying to companies in the financial services and insurance industries in any of the markets in which the Group operates, which may be applied retrospectively, may adversely affect the range of products offered, the terms and conditions applicable to these products (including retrospectively), distribution channels, capital requirements, dividends payable by subsidiaries and, consequently, results and financing requirements.

From July 2023, the Consumer Duty, which aims to set a higher level of consumer protection in retail financial markets came into effect. In particular, the Consumer Duty introduces (i) a new ‘Consumer Principle’ that requires regulated firms to deliver good outcomes for retail clients; (ii) cross-cutting rules requiring firms to act in good faith, avoid causing foreseeable harm, and enable and support clients to pursue their financial objectives; and (iii) four outcomes requiring firms to ensure consumers receive communications they can understand, products and services that meet their needs and offer fair value and are of sufficient quality, and the support they need. The Consumer Duty impacts all areas of the Group’s UK regulated business and has applied to all new and existing products and services that have remained open for sale or renewal since the end of July 2023 and has applied in full to all other products and services since 31 July 2024. The Group may face increased ongoing costs due to the need to implement additional compliance controls because of changes to the interpretation and guidance issued in relation to the Consumer Duty.

In addition, there is a trend for increased availability of information related to sustainability reporting with an increasing number of markets subject to mandatory sustainability regulations. There are a number of regulatory developments that the Group has identified that will impact its reporting going forward.

In March 2021, the Sustainable Finance Disclosure Regulation (the “**SFDR**”) came into effect in the European Union. The SFDR aims, among other things, to improve how investment firms communicate the sustainability characteristics of investment funds, including the extent to which they hold “sustainable investments”. Funds falling within Article 8 or 9 of the SFDR are able to market themselves on the basis of their sustainability characteristics, including with respect to their “sustainability investments”, where applicable. Although SFDR is not applicable in the UK, the Group has classified its EU-domiciled investment products according to the SFDR, so those qualifying as Article 8 or 9 can be more effectively marketed to investors as promoting environmental or social characteristics and/or having sustainable objectives. Evolving application and interpretation of the SFDR may result in the Group having inadvertently misclassified funds as being within either Article 8 or 9 with potential consequential reputational damage and adverse impact on the Group’s future growth prospects, given the importance of the Group Sustainability Ambition, to its strategy.

On 28 November 2023, the FCA published a policy statement, PS23/16: Sustainability Disclosure Requirements (SDR) and investment labels. The new measures, some of which came into effect in May 2024, introduce an anti-greenwashing rule, product labels to help retail investors understand what their money is being used for, and naming and marketing requirements. The requirements focus on asset managers and their UK-based funds. The Group is currently working through the final measures for implementation ahead of the effective date of the various rules over 2025.

The UK government is consulting on a UK Green Taxonomy, providing investors with a tool to define which economic activities should be labelled as green. It will be designed with harmonisation and interoperability with the taxonomies of other jurisdictions in mind. However, it is unclear at this stage how this would work in practice, and the Group could suffer as a result of inconsistent standards across a number of jurisdictions.

The Pensions Regulator (the “**TPR**”) still only has an interim regime for “superfunds” and the only superfund currently in the market (Clara-Pensions) has now made three transactions. The Pensions Scheme Bill announced in the King’s Speech in July 2024 included a measure to introduce the anticipated primary legislation for superfunds, with a draft bill expected later in 2025. The government has also announced intentions to review pension rules, with the intention of allowing surplus funds to be invested in the wider economy, when it is safe to do so. Details of the government’s response to the ‘Options for Defined Benefit Pension Schemes’ consultation are expected in Q2 2025, with the main new option being a new public consolidator/superfund. Both these regimes have the potential to impact the bulk purchase annuity market, however, it is not yet clear what impact these regimes may have on the Group’s business, results of operations and/or financial conditions.

Although the risks associated with the developments outlined above are uncertain at present, the Group may face increased compliance costs due to the need to implement additional compliance controls because of changes to financial services legislation or regulation.

***The Group is involved in various legal proceedings, regulatory investigations and examinations and may be involved in more in the future.***

The Group has been named as defendants in lawsuits, including class actions and individual lawsuits. The Group has been subject to regulatory investigations or examinations in the various jurisdictions in which it operates. These actions arise in various contexts, including in connection with the Group’s activities as an insurer, securities issuer, employer, investment adviser, investment manager, investor and taxpayer.

Lawsuits and investigations may also arise which could seek significant or unspecified amounts of damages, including punitive damages, and certain of the regulatory authorities involved in these proceedings have substantial powers over the conduct and operations of the Group's business.

Due to the nature of certain of these lawsuits and investigations, the Group cannot make an estimate of loss or predict with any certainty the potential impact of these lawsuits or investigations.

In the course of conducting insurance business, the Group receives general insurance liability claims and becomes involved in actual or threatened related litigation arising therefrom, including claims in respect of pollution and other environmental hazards. Given the significant delays that are experienced in the notification of these claims, the potential number of incidents that they cover, and the uncertainties associated with establishing liability and the availability of reinsurance, the ultimate cost cannot be determined with certainty.

The Group is exposed to the risk of regulatory action or claims or complaints from customers regarding unsuitable advice or misleading information from advisers, including within Succession Wealth and Aviva Financial Advisors, and/or regarding commission paid to intermediaries. For example, regulators or customers could allege that customers were recommended products or solutions that were not suitable for them, or that the terms and conditions of relevant products or solutions, the nature of the products or solutions, or the circumstances under which the products or solutions were recommended, were misrepresented to them, or that they did not provide fully informed consent to commission arrangements.

Additionally, it is possible that a regulator in one of the Group's major markets may conduct a review of products previously sold, either as part of an industry-wide review or specific to it. The result of this review may be to compensate customers for losses they have incurred as a result of the products they were sold.

As industry practices and legal, judicial, social and other environmental conditions change, unexpected and unintended issues related to claims and coverage, including reinsurance coverage, may emerge. Examples of emerging claims and coverage issues include adverse changes in loss trends, judicial expansion of policy coverage and the impact of new theories of liability; growth of claims culture (including with respect to class actions); legislative or judicial action that affects policy coverage or interpretation, claim quantification, or pricing; a growing trend of plaintiffs targeting property and casualty insurers in purported class action litigation relating to claims handling and other practices; new causes of liability or mass claims; claims in respect of directors' and officers' coverage, professional indemnity and other liability covers; and climate change related litigation. Given the large and indeterminate amounts of damages sometimes sought, and the inherent unpredictability of the outcome of litigation and disputes, it is possible that an adverse outcome in material legal proceedings or disputes could, from time to time, have a material adverse effect on the Group's business, reputation, ability to offer certain products, customer numbers, results of operations, cashflows and/or financial condition, and could divert management attention.

***Changes in the interpretation of existing tax laws, amendments to existing tax rates or the introduction of new tax legislation may adversely impact the Group's business.***

The Group operates in several tax jurisdictions around the world and faces risks associated with changes in tax law, interpretation of tax law, changes in tax rates and the risk of failure to comply with procedures required by tax authorities. Such changes may adversely impact the Group's business, results of operations, financial condition and prospects, either directly or indirectly. Failure to manage tax risks could lead to an additional tax charge or a financial penalty.

If, as a result of a particular tax risk materialising, the tax costs associated with certain transactions are greater than anticipated, it could affect the profitability of those transactions.

There are also specific rules governing the taxation of policyholders. The Group is unable to predict accurately the impact of future changes in tax law on the taxation of life insurance and pension policies in the hands of policyholders. Amendments to existing legislation, particularly if there is a withdrawal of any tax relief or an increase in tax rates, or the introduction of new legislation, rules or regulations, may affect the decisions of policyholders and/or materially affect the Group's future long-term business, results of operations, financial condition and prospects. The impact of such changes upon the Group might depend on the mix of business in-force, and other relevant circumstances, at the time of such change.

The design of life insurance products by the Group's life insurance companies takes into account a number of factors, including risks and taxation and is based on the tax legislation in force at that time. Changes in tax legislation or in the interpretation of tax legislation may therefore, when applied to such products, have a material adverse effect on the financial condition of the relevant long-term business fund of the company in which the business was written.

Further, uncertainty remains in the UK around both the long-term approach to and the level of taxation. The actions to contain the impact of elevated energy prices on consumers, funding demands of an ageing population on health and social care services, public investment required to meet the UK Government's net zero commitments and impact of low productivity growth on economic growth and tax revenues could, among other things, lead to an increase in UK tax rates

or the introduction of new taxes, which could in turn adversely affect the Group's long-term business, results of operations, financial condition and prospects.

## Risks related to the Notes

### *Perpetual Securities*

The Notes are perpetual securities and have no fixed maturity date or fixed redemption date. The Issuer is under no obligation to redeem the Notes at any time and the holders of Notes have no right to call for their redemption.

This means that Noteholders have no ability to exit their investment in any Notes, except: (i) if the Issuer exercises its rights to redeem the Notes in accordance with the Conditions; (ii) by selling their Notes in the secondary market (if any market participant agrees to purchase the Notes) or, following the occurrence of a Trigger Event and the issue and delivery of Ordinary Shares (to the extent that their Ordinary Shares are Eligible Conversion Shares and are not all sold to the Issuer's Shareholders pursuant to a Conversion Shares Offer); (iii) through the cash component of any Conversion Shares Offer Consideration; (iv) where the Trustee institutes proceedings for the winding-up of the Issuer where the Issuer has exercised its right to redeem the Notes but fails to make payment in respect of such redemption when due (in which limited circumstances the claim of Noteholders is subordinated, and there may or may not be any resulting liquidation proceeds available to Noteholders following payment being made in full to all senior and more senior-ranking subordinated creditors); or (v) upon a winding-up, liquidation, administration or analogous event or procedure of the Issuer (in which limited circumstances the claim of Noteholders is subordinated, and there may or may not be any resulting liquidation proceeds available to Noteholders following payment being made in full to all senior and more senior-ranking subordinated creditors). The proceeds, if any, realised by the actions described in (ii) to (v) above may be substantially less than the principal amount of the Notes or the amount of the investor's investment in the Notes.

In addition, the Conditions set out certain conditions to redemption and purchase in Condition 7(b), including, *inter alia*, in relation to the Solvency Capital Requirement and the Minimum Capital Requirement being met immediately prior to the redemption or purchase of the Notes. If such conditions are not met, the Issuer may not redeem or purchase any Notes and the redemption or purchase of the Notes shall instead be suspended, as more particularly detailed in the Conditions.

### *The Issuer's obligations under the Notes are subordinated*

The Issuer's obligations under the Notes will constitute direct, unsecured and subordinated obligations of the Issuer and will rank *pari passu* and without any preference among themselves.

The rights and claims of the Noteholders (and of the Trustee on their behalf) will be subordinated to the claims of Senior Creditors in that if, at any time prior to the date on which a Trigger Event occurs a winding-up, liquidation, administration or analogous event or procedure of the Issuer occurs, there shall be payable by the Issuer in respect of each Note (in lieu of any other payment by the Issuer) such amount, if any, that would have been payable in respect of that Note if, on the day prior to the commencement of the winding-up or liquidation of the Issuer or the Issuer's entry into administration or the occurrence of the analogous event and thereafter, the holder of that Note was the holder of one of a class of preference shares in the Issuer ("**Notional Preference Shares**"):

- (i) having a preferential right to a return of assets in such winding-up, liquidation or administration of the Issuer to, and so ranking ahead of, the holders of the Ordinary Shares and shares of any other class which may be issued or deemed to be in issue for the time being in the capital of the Issuer (other than shares of any class referred to in paragraphs (ii) below);
- (ii) having an equal right to a return of assets in such winding-up, liquidation or administration to, and so ranking *pari passu* with:
  - (1) (unless the holders of the following securities are Senior Creditors by virtue of paragraph (ii) of the definition of "Senior Creditors") the holders of the Existing Preference Shares (if any remain outstanding) and the holders of any securities of the Issuer which, by their terms, rank or are expressed to rank *pari passu* with any of the Existing Preference Shares in such winding-up, liquidation or administration; and
  - (2) the holders of securities of the Issuer which, by their terms, rank or are expressed to rank *pari passu* with the Notes in a winding-up, liquidation or administration or other return of capital (including, without limitation, shares of any class (other than those in (1) above) which may be issued or deemed to be in issue for the time being in the capital of the Issuer which, by their terms, rank or are expressed to rank *pari passu* with the Notional Preference Shares in a winding-up, liquidation or administration or other return of capital),
 (the holders of such securities being "**Pari Passu Creditors**"); and
- (iii) ranking behind the claims of Senior Creditors,

on the assumption that the holder of each such Notional Preference Share was entitled (to the exclusion of all other rights and privileges) to receive, in respect of each such Notional Preference Share, as a return of capital in such winding-up, liquidation or administration an amount equal to the principal amount of the relevant Note then outstanding together with, to the extent not otherwise included within the foregoing, any other amounts attributable to the Note, including any accrued but unpaid interest thereon (to the extent not cancelled in accordance with the Conditions) and any damages awarded for breach of any obligations in respect thereof, whether or not the Solvency Condition is satisfied on the date upon which the same would otherwise be due and payable (and, in the case of an administration, on the assumption that shareholders were entitled to claim and recover in respect of their shares to the same degree as in a winding-up or liquidation).

Furthermore if, at any time on or after the date on which a Trigger Event occurs, a winding-up, liquidation or administration of the Issuer occurs but the relevant Ordinary Shares to be issued and delivered to the Conversion Shares Depositary have not been so delivered, there shall be payable by the Issuer in respect of each Note (in lieu of any other payment by the Issuer) such amount, if any, that would have been payable in respect of that Note if, on the day prior to the commencement of the winding-up or liquidation of the Issuer or the Issuer's entry into administration or the occurrence of the analogous event and thereafter, the holder of that Note was the holder of such number of Ordinary Shares as it would have been entitled to receive on Conversion of that Note in accordance with Condition 6 (ignoring for these purposes the Issuer's right to make an election for a Conversion Shares Offer to be effected in accordance with Condition 6(f)).

Although the Notes may potentially pay a higher rate of interest (subject always to the Issuer's right and, in certain circumstances, obligation to cancel any interest payment under the Conditions) than comparable notes which are not subordinated, there is a significant risk that an investor in the Notes will lose all or some of its investment should the Issuer become insolvent.

Further, subject to applicable law, no holder of the Notes may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Notes and each holder shall, by virtue of being the holder of any Note, be deemed to have waived all such rights of set-off, compensation or retention.

In addition, investors should be aware that, upon Conversion of the Notes following a Trigger Event, Noteholders will be effectively further subordinated as they will be treated as, and subsequently become, holders of Ordinary Shares, even if other existing subordinated indebtedness and preference shares remain outstanding. There is a risk that Noteholders will lose the entire amount of their investment, regardless of whether the Issuer has sufficient assets available to settle what would have been the claims of Noteholders or of securities subordinated to the same or greater extent as the Notes, in winding-up proceedings or otherwise.

In addition, the Court has the power to write-down and defer unsecured liabilities (which could include the Notes) of a UK insurer prior to it becoming insolvent in certain circumstances (see the risk factor below '*The Group may in future become subject to regimes governing the recovery, resolution or restructuring of insurance companies and, as the scope and implications of these regimes are still evolving, it is unclear what the consequences could be for the Group*'). If such powers are exercised in respect of the Issuer, as the Notes are subordinated liabilities they would be amongst the first liabilities of the Issuer to be written down, and may be written down in full before any liabilities ranking in priority to the Notes are written down. Similarly, any subsequent write-up or 'reactivation' of liabilities would also be expected to respect the creditor hierarchy, such that the Notes would likely be amongst the last of the liabilities to be written-up, and may only be written up after the write-up in full of liabilities ranking in priority to the Notes.

### **Redemption and Exchange**

The Notes may, subject as provided in Condition 7, be redeemed at the option of the Issuer on (i) any day falling in the period commencing on (and including) 30 September 2032 and ending on (and including) the First Reset Date or (ii) on any Reset Date thereafter at their principal amount together with any accrued but unpaid interest to (but excluding) the date fixed for redemption (to the extent that such interest has not been cancelled in accordance with the Conditions). This optional redemption feature is likely to limit the market value of Notes. During any period when the Issuer may elect to redeem the Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Issuer may be expected to redeem the Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

In addition, upon the occurrence of a Tax Event, a Capital Disqualification Event or a Rating Methodology Event, the Notes may be: (i) substituted for, or their terms varied so that they become Qualifying Securities or, in the case of a Rating Methodology Event, Rating Agency Compliant Securities; or (ii) redeemed at their principal amount, all as more particularly described in Condition 7.

Furthermore, pursuant to Condition 7(o), the Issuer may waive, at any time, in its sole discretion and for whatever reason, its right to redeem, substitute, or vary the Conditions of, the Notes under any of Condition 7(f), 7(h), 7(i) or 7(j), in each case for a (definite or indefinite) period of time to be determined by the Issuer (the “**Inapplicability Period**”) by notice to the Trustee, the Issuing, Paying and Conversion Agent, the Registrar and, in accordance with the Conditions, the Noteholders, and may subsequently terminate any such Inapplicability Period at any time and in its sole discretion by similar notice. Any decision by the Issuer to initiate or terminate an Inapplicability Period could adversely affect the market value of Notes and/or result in volatility in the market price of the Notes.

### ***Deferral of Redemption***

The Issuer is required to defer any scheduled redemption of Notes, notwithstanding that it has given notice of early redemption in the circumstances described below in Conditions 7(f), 7(g), 7(h), 7(i) and 7(j) in the event that, *inter alia*, the Issuer cannot make the redemption payments in compliance with the Solvency Condition, the Solvency Capital Requirement or the Minimum Capital Requirement, or the Relevant Regulator objects to the proposed redemption, or an Insolvent Insurer Winding-up has occurred and is continuing.

Further, if a Trigger Event occurs after a notice of redemption but before the relevant redemption date, such notice of redemption shall automatically be revoked and be null and void and the relevant redemption shall not be made or effected and the Notes shall be converted in accordance with Condition 6.

The deferral of redemption of the Notes will not constitute a default under the Notes for any purpose and will not give Noteholders or the Trustee any right to accelerate the Notes or take any enforcement action under the Notes or the Trust Deed.

Any actual or anticipated deferral of redemption of the Notes will likely have an adverse effect on the market price of the Notes. In addition, as a result of the redemption deferral provision of the Notes, the market price of the Notes may be more volatile than the market prices of other debt securities without such deferral feature, including dated securities where redemption on the scheduled maturity date cannot be deferred, and the Notes may accordingly be more sensitive generally to adverse changes in the Issuer's financial condition.

### ***The Issuer may redeem the Notes at par before maturity in certain circumstances, and an investor may not be able to reinvest the redemption proceeds at as effective a rate of return as that in respect of the Notes***

The Notes may, subject as provided in Condition 7, at the sole discretion of the Issuer, be redeemed at their principal amount together with any accrued but unpaid interest to (but excluding) the date of redemption in exercise of a clean-up call option by the Issuer (in the event that 75 per cent. or more of the aggregate principal amount of the Notes has been purchased and cancelled (or will, prior to any date fixed for redemption pursuant to Condition 7(j), be purchased and cancelled) by the Issuer).

The cash paid to investors upon such a redemption may be less than the then current market value of the Notes or the price at which investors purchased the Notes, and any actual or perceived possibility of redemption by the Issuer could also impact the market value of the Notes. Subject to the contractual and regulatory restrictions on doing so set out in the Conditions, the Issuer might be expected to redeem the Notes when its costs of borrowing for an instrument with a comparable regulatory capital treatment at the time is lower than the interest payable on them. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest payable on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in the light of other investments available at that time.

### ***No limitation on issuing senior or pari passu securities***

There is no restriction on the amount of securities which the Issuer may issue and which may rank senior to, or *pari passu* with, the Notes. The issue of any such securities may reduce the amount recoverable by holders of Notes on a winding-up of the Issuer and/or may increase the likelihood of a deferral and/or cancellation of payments under the Notes.

### ***Rate of Interest reset for the Notes***

The Rate of Interest on the Notes will be reset by reference to the applicable Benchmark Gilt Rate and for a period equal to the Reset Period, as adjusted for the applicable Margin, as more particularly described in Condition 4. The reset of the Rate of Interest in accordance with such provisions may affect the secondary market and the market value of such Notes and, following any such reset of the Rate of Interest, the Reset Rate of Interest on the Notes may be lower than the Initial Rate of Interest or the previous Reset Rate of Interest (as applicable), thereby reducing the amount of interest payable to Noteholders.

### ***Payments by the Issuer are conditional upon the Issuer being solvent***

Other than in the circumstances set out in Condition 3(c) or Condition 3(d), or in relation to the cash component of any Conversion Shares Offer Consideration, all payments under or arising from (including any damages for breach of any obligations under) the Notes shall be conditional upon the Issuer being solvent at the time for payment by the Issuer and no amount shall be due and payable by the Issuer in respect of or arising from the Notes except to the extent that the

Issuer could make such payment and still be solvent immediately thereafter. For these purposes, the Issuer will be solvent if (i) it is able to pay its debts owed to Senior Creditors as they fall due and (ii) its Assets exceed its Liabilities. Any payment of interest that would have been due and payable but for the inability to comply with the Solvency Condition shall be cancelled in full pursuant to Condition 5(b).

***Interest Payments on the Notes are wholly discretionary***

Interest payments on the Notes are wholly discretionary and the Issuer may at any time elect to cancel any interest payment, in whole or in part, which would otherwise be due and payable on any Interest Payment Date. Accordingly, interest on the Notes will be due and payable only at the sole and absolute discretion of the Issuer. Furthermore, interest payments are subject to mandatory cancellation as provided in Condition 3(b), Condition 5(b) and Condition 6(i) (see the risk factor below entitled ‘*In addition to the Issuer’s right to cancel interest payments, in whole or in part, at any time, the Conditions require that interest payments must be cancelled under certain circumstances. Cancelled interest payments shall not be due and shall not accumulate or be payable at any time thereafter and investors shall have no rights thereto*’). At the time of publication of this Offering Memorandum, it is the intention of the Directors to take into account the relative ranking in the Issuer’s capital structure of its Ordinary Shares and the Notes whenever exercising its discretion to declare dividends on the former or to cancel interest on the latter. However, the Directors may depart from this policy at any time in their sole discretion.

Any interest payment (or relevant part thereof) which is cancelled shall not accumulate and shall not become due and payable at any time thereafter. In the event of such cancellation, Noteholders will have no rights in respect of the interest payment (or relevant part thereof) which is cancelled. In addition, cancellation or non-payment of interest in accordance with the Conditions shall not constitute a default or event of default on the part of the Issuer for any purpose.

Any actual or perceived increased likelihood of cancellation of any interest payment may adversely affect the market value of the Notes and could result in increased volatility and/or reduced liquidity in the market (if any) for the Notes.

***In addition to the Issuer’s right to cancel interest payments, in whole or in part, at any time, the Conditions require that interest payments must be cancelled under certain circumstances. Cancelled interest payments shall not be due and shall not accumulate or be payable at any time thereafter and investors shall have no rights thereto***

The Issuer must cancel any interest payment on the Notes in full pursuant to Condition 5(b) in the event that, *inter alia*, the Issuer cannot make the payment (including, if applicable, any Additional Amounts) in compliance with the Solvency Condition, the Solvency Capital Requirement or the Minimum Capital Requirement, or where the interest payment would, together with any Additional Amounts payable with respect thereto (and when aggregated with the relevant interest payments and distributions as more particularly described in limb (iv) of the definition of “Mandatory Interest Cancellation Event” in the Conditions), exceed the amount of the Issuer’s Distributable Items as at the time of payment, or if required to cancel any interest payment by the Relevant Regulator or under the Relevant Rules. Any interest payments due on or after the date of a Trigger Event must also be cancelled under Condition 6(i).

As at 31 December 2024, Aviva plc had Distributable Items totalling £10.397 billion. As at 31 December 2024, Aviva plc’s Distributable Items as adjusted for the remainder of the £10 billion capital return programme and the proposed final dividend for 2024 was 23.8 pence per ordinary share. The level of the Issuer’s Distributable Items will be affected by a number of factors. The Issuer’s future Distributable Items, and therefore its ability to make interest payments under the Notes, are a function of its existing Distributable Items and its future profitability. In addition, the Issuer’s Distributable Items may also be adversely affected by the servicing of more senior instruments. The level of the Issuer’s Distributable Items may be affected by changes to regulation or the requirements and expectations of applicable regulatory authorities, which could have an adverse effect on the Issuer’s Distributable Items in the future. Further, the Issuer’s Distributable Items, and therefore its ability to make interest payments under the Notes, may be adversely affected by the performance of its business in general, factors affecting its financial position (including its solvency position), the economic environment in which the Group operates and other factors outside of the Issuer’s control. The Issuer is entitled to make strategic or other business decisions which may adversely affect the Issuer’s Distributable Items (see the risk factor below entitled ‘*The Issuer’s interests may not be aligned with those of investors in the Notes*’).

Any interest payment which is cancelled shall not accumulate and shall not become due and payable at any time thereafter. In the event of such cancellation, Noteholders will have no rights in respect of the interest payment which is cancelled. In addition, cancellation or non-payment of interest in accordance with the Conditions shall not constitute a default or event of default on the part of the Issuer for any purpose.

Any actual or perceived increased likelihood of cancellation of any interest payment may adversely affect the market value of the Notes and could result in increased volatility and/or reduced liquidity in the market (if any) for the Notes.

***The Issuer’s interests may not be aligned with those of investors in the Notes***

The Issuer’s satisfaction of the Solvency Condition and the availability of Distributable Items as well as there being no occurrence of a Trigger Event will depend in part on decisions made by the Issuer and other entities in the Group relating to their businesses and operations, as well as the management of their capital positions.

While the Directors of the Issuer are under an obligation to consider the interests of all stakeholders of the Issuer, including the Noteholders, the interests of other stakeholders of the Issuer could be adverse to and outweigh the interests of the Noteholders, including in the context of capital management and the relationship among the various entities in the Group and the Group's structure. The Issuer may decide not to raise capital at a time when it is feasible to do so, even if that would result in the occurrence of a Trigger Event. It may decide not to propose to its shareholders to reallocate share premium to a distributable reserve account or to take other actions necessary in order for share premium or other reserves or earnings to be included in Distributable Items. Moreover, in order to avoid the use of public resources, the Relevant Regulator (as defined in the Conditions) may decide that the Issuer should allow a Trigger Event to occur or should cancel an interest payment at a time when it is feasible to avoid this outcome. Noteholders will not have any claim against the Issuer or any other entity of the Group relating to decisions that affect the capital position of the Group, regardless of whether they result in the occurrence of a Trigger Event or a lack of Distributable Items or breach of the Solvency Condition. Such decisions could cause Noteholders to lose the full amount of their investment in the Notes.

***Other capital instruments issued by the Issuer may not absorb losses at the same time, or to the same extent as the Notes***

The terms and conditions of other regulatory capital instruments issued from time to time by the Issuer or any of its Subsidiaries may vary and accordingly such instruments may not convert into equity or be written-down at the same time, or to the same extent, as the Notes, or at all. Further, regulatory capital instruments issued by a member of the Group with terms that require such instruments to be converted into equity and/or written down when a solvency or capital measure falls below a certain threshold may have different capital or solvency measures for triggering a conversion or write down to those set out in the definition of Trigger Event or may be determined with respect to a group or sub-group of entities that is different from the Group, with the effect that they may not be converted into equity and/or written down on the occurrence of a Trigger Event. Therefore, the Notes may be subject to a greater degree of loss absorption than would otherwise have been the case had such other instruments been written down or converted at the same time as, or prior to, the Notes.

***Notes may be traded with accrued interest which may subsequently be subject to cancellation***

The Notes may trade, and/or the prices for the Notes may appear, in trading systems with accrued interest. Purchasers of Notes in the secondary market may pay a price which reflects such accrued interest on purchase of the Notes. If an interest payment is cancelled (in whole or in part) as described above, a purchaser of Notes in the secondary market will not be entitled to the accrued interest (or part thereof) reflected in the purchase price of the Notes.

***Notes may be mandatorily converted into Ordinary Shares***

Following the occurrence of a Trigger Event, the Notes will be mandatorily converted into Ordinary Shares on the Conversion Date. Immediately upon and following Conversion, all of the Issuer's obligations under the Notes (including any payment obligation in respect of principal and/or accrued interest) shall be irrevocably released, discharged and satisfied. As a result, Noteholders may lose all or part of the value of their investment in the Notes as, following Conversion, they will receive only (i) the Conversion Shares and/or (ii) the Conversion Shares Offer Consideration.

Although the market value of any Conversion Shares received by Noteholders may increase (or decrease) in value over time, the Conversion Price at the time when the Conversion Shares are issued may not reflect (and may be considerably higher than) the market value of the Ordinary Shares. A Conversion Price that is higher than the market price of an Ordinary Share will represent a loss for Noteholders, since (through Conversion) they will obtain Ordinary Shares (subject to a Conversion Shares Offer) at a higher price than they will be able to sell such Ordinary Shares at in the market.

Furthermore, if the Issuer elects that a Conversion Shares Offer is made, and unless the Noteholder delivers a valid Opt-Out Notice in accordance with the Conditions, such Noteholder will only be entitled to receive Conversion Shares Offer Consideration – see the risk factor below entitled '*Noteholders may receive Conversion Shares Offer Consideration instead of Ordinary Shares upon Conversion*'.

For the avoidance of doubt, the Noteholders will have no right to convert their Notes into Ordinary Shares at their election. Conversion of the Notes will occur only following the occurrence of a Trigger Event.

***The occurrence of the Trigger Event may depend on factors outside of the Issuer's control***

A Trigger Event shall occur if the Issuer determines at any time (acting reasonably and after consultation with the Relevant Regulator) that (i) the amount of Own Fund Items eligible to cover the Solvency Capital Requirement is equal to or less than 75 per cent. of the Solvency Capital Requirement, (ii) the amount of Own Fund Items eligible to cover the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement, or (iii) a breach of the Solvency Capital Requirement has occurred and such breach has not been remedied within a period of three months from the date on which the breach was first observed.

The occurrence of a Trigger Event and, therefore, Conversion is to some extent unpredictable and depends on a number of factors, some of which may be outside of the Issuer's control, including actions that the Issuer is required to take at the direction of the Relevant Regulator and regulatory changes. Accordingly, the trading behaviour of the Notes may not

necessarily follow the trading behaviour of other types of subordinated securities, including the Issuer's other subordinated debt securities. Any indication that the Issuer or the Group may be at risk of failing to meet its Solvency Capital Requirement or Minimum Capital Requirement may have an adverse effect on the market price and liquidity of the Notes. Therefore, investors may not be able to sell their Notes easily (if at all) or at prices that will provide them with a yield comparable to other types of subordinated securities, including the Issuer's other subordinated debt securities. In addition, the risk of Conversion could drive down the price of the Ordinary Shares and could have a material adverse effect on the market value of any Conversion Shares received upon Conversion.

***Noteholders must submit a Conversion Shares Settlement Notice to receive delivery of Conversion Shares or Conversion Shares Offer Consideration following Conversion***

In order to obtain delivery of the relevant Conversion Shares or the Conversion Shares Offer Consideration, as applicable, following a Conversion of the Notes, the relevant Noteholder must deliver, *inter alia*, a duly completed Conversion Shares Settlement Notice to the Conversion Shares Depository, which must contain specified information. Any Noteholder delivering a Conversion Shares Settlement Notice after the Notice Cut-off Date will have to provide evidence of its entitlement to the relevant Conversion Shares or the relevant Conversion Shares Offer Consideration, as applicable, satisfactory to the Conversion Shares Depository in its sole and absolute discretion in order to receive delivery of such Conversion Shares or such Conversion Shares Offer Consideration, as applicable. The Issuer shall have no liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares or the relevant Conversion Shares Offer Consideration, as applicable, or from any delay in the receipt thereof, in each case as a result of such Noteholder failing to submit, *inter alia*, a valid Conversion Shares Settlement Notice, on a timely basis or at all.

***The Notes will remain in existence following Conversion for a period with Noteholders having limited rights***

Following Conversion, the Notes will remain in existence until the applicable Settlement Date (or, if earlier, the Final Cancellation Date) for the sole purpose of evidencing each Noteholder's right to receive Conversion Shares or Conversion Shares Offer Consideration, as applicable, from the Conversion Shares Depository. All obligations of the Issuer under the Notes shall be irrevocably released in consideration of the Issuer's issuance and delivery of the Conversion Shares to the Conversion Shares Depository on the Conversion Date, and under no circumstances shall such released obligations be reinstated. The Notes shall be cancelled on the applicable Settlement Date (or, if earlier, the Final Cancellation Date). Notwithstanding the foregoing, there can be no assurance that Noteholders will be able to sell any Notes following the occurrence of a Trigger Event.

Receipt by the Conversion Shares Depository of the Conversion Shares shall irrevocably discharge and satisfy the Issuer's obligations in respect of the Notes and a Noteholder shall, with effect on and from the Conversion Date, only have recourse to the Conversion Shares Depository for the delivery to it of the relevant Conversion Shares or, if the Issuer elects that a Conversion Shares Offer be made, of any Conversion Shares Offer Consideration to which such Noteholder is entitled. The Issuer shall not have any liability for the performance of the obligations of the Conversion Shares Depository. There may, therefore, be a period following Conversion during which the Noteholders remain in possession of their Notes but are owed no obligations thereunder by the Issuer.

***There may be a delay in Noteholders being able to transfer any Conversion Shares following Conversion***

Although the Noteholders will (subject to a Conversion Shares Offer) become beneficial owners of the Conversion Shares upon the issuance of such Conversion Shares to the Conversion Shares Depository and the Conversion Shares will be registered in the name of the Conversion Shares Depository (or the relevant recipient in accordance with the terms of the Notes), no Noteholder will be able to sell or otherwise transfer any Conversion Shares until such time as they are finally delivered to such Noteholder and registered in its name. In the event of a Conversion Shares Offer, only some – or none – of the Conversion Shares may be delivered to the Noteholders.

***Noteholders are subject to all changes made with respect to Conversion Shares prior to their registration as a holder of such Conversion Shares***

Noteholders will be unable to exercise voting rights and other rights related to any Conversion Shares until such Conversion Shares have been issued and delivered to the Conversion Shares Depository following the Conversion Date and subsequently delivered to the Noteholders, and such Noteholder has been registered in the Issuer's share register as a shareholder in accordance with the provisions of, and subject to the limitations provided in, the articles of association of the Issuer. Prior to such registration, Noteholders will be subject to all changes made with respect to the Conversion Shares but will not be entitled to any of the rights of a shareholder.

***Noteholders may be subject to taxes following Conversion***

Neither the Issuer nor any member of the Group will pay any taxes (including any capital, stamp, issue, registration, financial transaction, documentary or transfer taxes or duties) arising on, or as a result of, Conversion or that may arise or be paid as a consequence of the issue and delivery of Ordinary Shares on Conversion or their transfer in any Conversion Shares Offer. Except as provided in the relevant Conditions, Noteholders must pay any such taxes which may arise as a result of, or in connection with, the ownership, any transfer and/or any payment in respect of the Notes, or which arise on



Conversion in connection with the issue and delivery of the Conversion Shares, whether to the Conversion Shares Depository on behalf of the relevant Noteholder or otherwise to or for the benefit of such Noteholder. Noteholders must pay all, if any, such taxes arising by reference to any disposal or deemed disposal of their Notes or interest therein, save that the Issuer intends to make it a condition of any Conversion Shares Offer that any capital, stamp, issue, registration, financial transaction, documentary or transfer taxes or duties arising on delivery or transfer of Conversion Shares to a purchaser in any Conversion Shares Offer are borne by the relevant purchaser.

***Noteholders may be obliged to make a takeover bid following the Conversion Trigger***

Upon the occurrence of the Trigger Event, Noteholders receiving Conversion Shares from the Conversion Shares Depository may have to make a takeover bid addressed to the shareholders of the Issuer pursuant to the rules of The City Code on Takeovers and Mergers implementing the Takeovers Directive (2004/25/EC) by means of Part 28 of the UK Companies Act 2006 (the "**Companies Act**") if any Noteholder's aggregate holding in the Issuer exceeds 30 per cent. of the voting rights in the Issuer as a result of the Conversion of the Notes into Conversion Shares.

***Changes to Solvency UK may increase the risk of the occurrence of a Trigger Event, cancellation of Interest Payments or the occurrence of a Capital Disqualification Event***

Solvency UK requirements or the way in which the PRA interprets and applies these requirements to the UK insurance industry, may change. Any such changes, either individually and/or in aggregate, may lead to further unexpected requirements in relation to the calculation of the Issuer's or the Group's Solvency Capital Requirement, and such changes may make the Issuer's or the Group's regulatory capital requirements more onerous. Such changes that may occur in the application of Solvency UK subsequent to the date of this Offering Memorandum and/or any subsequent changes to such rules and other variables may individually and/or in aggregate negatively affect the calculation of the Issuer's or the Group's Solvency Capital Requirement and thus increase the risk of a Trigger Event occurring, which will lead to a Conversion, as a result of which a Noteholder could lose all or part of the value of its investment in the Notes. See also the risk factor above entitled '*The regulatory capital regime applying to the Group is extensive and subject to change, and a failure to comply with this regime could have a variety of negative regulatory and operational implications for the Group*'.

***Noteholders may be subject to disclosure obligations and/or may need approval by the Relevant Regulator***

As the Notes are mandatorily convertible into Conversion Shares following a Trigger Event, an investment in the Notes may result in Noteholders, following such Conversion, having to comply with certain disclosure and/or approval requirements pursuant to laws and regulations applicable in the UK. For example, pursuant to Chapter 5 of the Disclosure Guidance and Transparency Rules Sourcebook of the FCA Handbook, the Issuer (and the FCA) must be notified by a person when the percentage of voting rights in the Issuer controlled by that person (together with its concert parties), by virtue of direct or indirect holdings of shares aggregated with direct or indirect holdings of certain financial instruments, reaches or crosses 3 per cent. and every percentage point thereafter.

Furthermore, as the Conversion Shares are of an ultimate parent undertaking of a number of regulated entities, under the laws of the UK and other jurisdictions, ownership of an interest in the Conversion Shares to be delivered following Conversion above a certain level may require the Noteholder to obtain regulatory approval or subject the Noteholder to additional regulation.

Non-compliance with such disclosure and/or approval requirements may lead to the incurrence by Noteholders of substantial fines and/or suspension of voting rights associated with the Ordinary Shares. Any potential investor should consult its financial, legal and other professional advisers as to the terms of the Notes and the potential consequences for such potential investor if a Trigger Event were to occur and such potential investor received Conversion Shares. In particular, each potential investor should satisfy themselves, both at the time of investing in the Notes and for so long as such investor remains a Noteholder, that the maximum number of Conversion Shares that it could receive following Conversion, when aggregated with its other relevant holdings of Ordinary Shares, would not give rise to any of the consequences described above, or any other legal or regulatory implications.

***Noteholders may receive Conversion Shares Offer Consideration instead of Ordinary Shares***

The Issuer may elect, in its sole and absolute discretion, that a Conversion Shares Offer be conducted by the Conversion Shares Depository (or any agent(s) on its behalf) upon the occurrence of the Trigger Event. Following the delivery of a Conversion Shares Offer Notice and prior to the commencement of the Conversion Shares Offer Period, each Noteholder shall be entitled to give notice to the Conversion Shares Depository in writing that it elects to retain its interest in the Conversion Shares to which it is entitled in respect of some or all of its Notes, such that the Conversion Shares attributable to it in respect of such Notes(s) are not eligible for inclusion in the Conversion Shares Offer (each such notice being an "**Opt-Out Notice**"). If the Issuer elects that a Conversion Shares Offer be conducted, the Conversion Shares Depository (or any agent(s) on its behalf) will make an offer of all or some of the Eligible Conversion Shares (being Ordinary Shares for which a valid Opt-Out Notice has not been delivered in accordance with the Conditions) to all or some of the Issuer's Shareholders.

The Conversion Shares Offer Price relating to any such Conversion Shares Offer shall be at a price not lower than the Conversion Shares Offer Floor Price. The Conversion Shares Offer Floor Price shall be (i) if the Ordinary Shares are then admitted to trading on a Relevant Stock Exchange, the Current Market Price as at the Conversion Date; or (ii) if the Ordinary Shares are not then admitted to trading on a Relevant Stock Exchange, the Fair Market Value of a Conversion Share as at the Conversion Date. Accordingly, the Conversion Shares Offer Price may be more or less than the Conversion Price.

Subject to the provisions of Condition 6, if all of the Eligible Conversion Shares are sold in the Conversion Shares Offer, Noteholders will be entitled to receive, in respect of each Note for which an Opt-Out Notice is not received by the Conversion Shares Depositary from a Noteholder prior to Final Opt-Out Notice Delivery Date and as determined by the Issuer and/or Conversion Calculation Agent, the *pro rata* share of the cash proceeds of the sale of the Eligible Conversion Shares attributable to such Note (less: (a) the *pro rata* share of any foreign exchange transaction costs; and (b) an amount equal to the *pro rata* share of any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax or duty that may arise or be paid as a consequence of the transfer of (or any agreement to transfer) any interest in such Eligible Conversion Shares to the Conversion Shares Depositary (or Conversion Shares Offer Agent(s) (if any)) as a consequence of the Conversion Shares Offer), subject (in applicable circumstances) to the cap described in the following paragraph. If not all of the Eligible Conversion Shares are sold in the Conversion Shares Offer, Noteholders shall be entitled to receive, in respect of each such Note and as determined by the Conversion Calculation Agent, (i) the *pro rata* share of the cash proceeds from the sale of the Eligible Conversion Shares attributable to such Note (less: (a) the *pro rata* share of any foreign exchange transaction costs; and (b) an amount equal to the *pro rata* share of any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax or duty that may arise or be paid as a consequence of the transfer of (or any agreement to transfer) any interest in such Eligible Conversion Shares to the Conversion Shares Depositary (or Conversion Shares Offer Agent(s) (if any)) as a consequence of the Conversion Shares Offer), subject (in applicable circumstances) to the cap described in the following paragraph together with (ii) the *pro rata* share of the Eligible Conversion Shares not sold pursuant to the Conversion Shares Offer attributable to such Note without rounding (but without prejudice to subsequent rounding under the Conditions).

If any Eligible Conversion Shares are sold in the Conversion Shares Offer and the cash component (if any) of the Conversion Shares Offer Consideration per Calculation Amount would otherwise exceed the product of (i) the Calculation Amount, and (ii) the proportion (expressed as a percentage) of the Conversion Shares sold in the Conversion Shares Offer (such excess, the "**Excess Amount**"), the Excess Amount shall not form part of the Conversion Shares Offer Consideration. The holders of the Notes will be deemed, by virtue of their holding, to have waived any and all entitlement to any such Excess Amount, and such Excess Amount shall instead be payable to the Issuer for its own account. In such circumstances, the value of the Conversion Shares Offer Consideration received by a Noteholder may be less than the market value of the Conversion Shares which it would have been entitled to receive if the Issuer had not elected that a Conversion Shares Offer be made.

Accordingly, if the Issuer elects that a Conversion Shares Offer be made and a Noteholder does not validly submit an Opt-Out Notice in accordance with the Conditions, that Noteholder may not ultimately receive Conversion Shares, or may receive only some Conversion Shares as part of the Conversion Shares Offer Consideration.

No interest or other compensation is payable in respect of the period from the Conversion Date to the date of delivery of the Conversion Shares or the cash proceeds from the sale of the Conversion Shares in the circumstances described above. Furthermore, neither the occurrence of a Trigger Event nor, following the occurrence of a Trigger Event, the election (if any) by the Issuer that a Conversion Shares Offer be made, will preclude the Issuer from undertaking a rights issue or other equity issue at any time on such terms as the Issuer deems appropriate in its sole discretion, including, for the avoidance of doubt, but without limitation, the offer of Ordinary Shares at or below the Conversion Shares Offer Price.

Notice of the results of any Conversion Shares Offer will be provided to Noteholders only at the end of the Conversion Shares Offer Period. Accordingly, Noteholders would not know the composition of the Conversion Shares Offer Consideration to which they may be entitled until the end of the Conversion Shares Offer Period.

***Notes may be convertible into shares in an entity other than the Issuer where a Qualifying Change of Control occurs, or may be written down to zero where a Non-Qualifying Change of Control occurs***

If a Qualifying Change of Control occurs, the Notes will, following Conversion, become convertible into Relevant Shares of the Acquiror, as described in Condition 6(o). The Issuer can provide no assurances as to the nature of any such Acquiror or the risks associated with becoming an actual or potential shareholder therein. A Qualifying Change of Control may, therefore, have an adverse effect on the value of the Notes.

If a Non-Qualifying Change of Control occurs then the Notes shall not be subject to Conversion at any time but, instead, upon the occurrence of a Trigger Event the full principal amount outstanding of each Note will automatically be written down to zero, each Note will be cancelled and each Note will be de-listed from, or no longer traded on, the ISM (or any other stock exchange that the relevant Notes may be listed or admitted to trading from time to time). In such circumstances, the Noteholders would not be entitled to receive any Ordinary Shares or other compensation and would lose their entire

investment in the Notes. Therefore, if a Non-Qualifying Change of Control occurs, or if the market anticipates that such an event may occur, this may have an adverse effect on the value of the Notes.

***Conversion Price is fixed at the time of issue of the Notes***

Subject to certain limited anti-dilution provisions set out in Condition 6(j), the Conversion Price of the Notes is fixed at the time of issue of the Notes. The Trigger Event is linked to a deterioration in the regulatory solvency position of the Issuer and, therefore, its occurrence will likely be accompanied and preceded by a deterioration in the market price of the Ordinary Shares. Therefore, if a Trigger Event were to occur, investors would receive Conversion Shares or, as the case may be, Conversion Shares Offer Consideration at a time when the market price of the Ordinary Shares is diminished. In addition, there may be a delay in a Noteholder receiving its Conversion Shares (if any) following the Trigger Event, during which time the market price of the Ordinary Shares may further decline. As a result, the realisable value of the Conversion Shares may be below the Conversion Price.

At the time at which the Conversion Shares are issued following Conversion, the Conversion Price may not reflect the market price of the Ordinary Shares, which could be significantly lower than the Conversion Price. Although the market value of such Conversion Shares may increase over time, they may never be equal to the principal amount of the Notes converted.

***Noteholders have limited anti-dilution protection***

The number of Conversion Shares to be delivered in respect of the Notes will be determined by dividing the principal amount outstanding of the Notes by the Conversion Price prevailing at the relevant time. Fractions of Conversion Shares will not be delivered to the Conversion Shares Depository or to Noteholders upon a Conversion and no cash payment will be made in lieu thereof.

The Conversion Price will be adjusted in accordance with Condition 6(j) in the event that there is a (i) consolidation, reclassification, redesignation or subdivision in relation to the Ordinary Shares which alters the number of Ordinary Shares in issue, (ii) an issuance of Ordinary Shares in certain circumstances by way of capitalisation of profits or reserves, (iii) payment of an Extraordinary Dividend or (iv) an issue of Ordinary Shares to Shareholders as a class by way of rights in certain circumstances, all as further described in the Conditions.

Any New Conversion Price following a Qualifying Change of Control will be similarly adjusted.

There is no requirement that there should be an adjustment for every corporate or other event that may affect the value of the Ordinary Shares. Furthermore, the adjustment events that are included are less extensive than those often included in the terms of other convertible securities. As a result, events in respect of which no adjustment to the Conversion Price is made may adversely affect the value of the Notes.

***No restriction on dividends***

The Conditions do not contain any restriction on the ability of the Issuer to pay dividends on its Ordinary Shares. This could decrease the profits that are available for distribution and therefore increase the likelihood of a cancellation of payments of interest. At the time of publication of this Offering Memorandum, it is the intention of the Directors to take into account the relative ranking in the Issuer's capital structure of its Ordinary Shares and any Notes whenever exercising its discretion to declare dividends on the former or to cancel interest on the latter. However, the Directors may depart from this policy at any time in their sole discretion.

***Modification, waivers and substitution***

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who do not attend and vote at the relevant meeting and Noteholders who vote in a manner contrary to the majority.

The Conditions also provide that the Trustee may, without the consent of Noteholders, agree to (i) subject to receiving no objection from the PRA, any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of Notes, or (ii) the substitution of another company as principal debtor under any Notes in place of the Issuer in each case in the circumstances described in the Conditions.

***Restricted remedy for non-payment***

In accordance with PRA requirements for subordinated capital, the sole remedy against the Issuer available to the Trustee or (where the Trustee has failed to proceed against the Issuer as provided in the Conditions) any holder of Notes for recovery of amounts owing in respect of the Notes will be the institution of proceedings for the winding-up of the Issuer and/or proving in such winding-up or administration and/or claiming in the liquidation of the Issuer for such amounts.

***The Group may in future become subject to regimes governing the recovery, resolution or restructuring of insurance companies and, as the scope and implications of these regimes are still evolving, it is unclear what the consequences could be for the Group***

The UK Financial Services and Markets Act 2023 implemented amendments to clarify and extend the powers of the court under Section 377A to 377K of FSMA to enable (among other things) the write-down and deferral of unsecured liabilities of UK insurers (which may include the Notes) in financial distress (i.e., prior to an insurer becoming insolvent in certain circumstances). These amendments were intended to enhance the UK's resolution regime for insurers, enabling smoother and more orderly wind-downs of troubled insurers, thereby protecting policyholders, and mitigating risks to the wider financial system. This includes clarifying the scope of the power, creating a statutory moratorium on certain contractual termination rights upon application to the court for and during a write-down, administration or a winding-up, providing for the appointment of a 'write-down manager', a stay on policyholder surrender rights in certain circumstances for life insurance policies and ensuring that the Financial Services Compensation Scheme rules require payments to policyholders whose claims are reduced by a write-down. The court's write-down powers do not extend to secured liabilities of the insurer but insurers' liabilities which are secured by a floating charge are potentially within the court's write down powers. Any such write-down (and any subsequent write-up or 'reactivation', if applicable) would have regard to the order in which liabilities sit in the creditor hierarchy as set out in the Insurers (Reorganisation and Winding Up) Regulations 2004 (SI 2004/353), although the regime does not include a specific 'no creditor worse off' (NCWO) safeguard (see the risk factor above '*The Issuer's obligations under the Notes are subordinated*').

In addition, in January 2023 HM Treasury released a consultation paper (the "**Consultation**") detailing its proposals for introducing an Insurer Resolution Regime (the "**IRR**"), which is separate from the changes introduced by sections 377A to 377K of FSMA. The proposals intended to facilitate, amongst other things, UK financial stability and the protection of policyholders. In August 2023, HM Treasury confirmed that it plans to legislate for the implementation of the IRR. However, draft legislation for the IRR has not yet been published and the timetable for enacting the proposals in the Consultation is not yet clear. Firms will have at least 12 months to comply with the IRR requirements once in force.

If the IRR is implemented, the Bank of England will serve as the resolution authority for insurers, working in collaboration with the PRA and FCA to bring the IRR into effect. The IRR will apply to UK branches of foreign insurers, holding companies, niche insurers, and mutuals, excluding Lloyd's. The IRR will grant the PRA greater flexibility in determining and responding to potentially systemic failures compared to the Solvency UK ladder of intervention. Provided certain conditions are met, the Bank of England, as resolution authority, will be granted the power to exercise a range of "stabilisation options" to mitigate the harm caused by a failing insurer, including arranging the 'bail-in' of a failing insurer through restructuring, modifying, limiting, or writing down its liabilities. The Bank of England could also potentially issue new equity to those creditors whose debt is written down. Furthermore, the regime will incorporate two distinct valuation processes; a set of pre-resolutions valuations before the resolution authority exercises any of the stabilisation options and a second valuation, following resolution, by an independent valuer appointed by HM Treasury to conduct an independent valuation to determine the level of "no creditor worse off" compensation.

The implementation of the IRR means there is a risk that in a resolution scenario, in order to reduce or defer the liabilities of the Issuer and/or the Group, liabilities owed to unsecured creditors could be restructured, modified, limited, or written down and/or converted into shares (in whole or in part). In such a scenario the first affected creditors would likely be those that rank below policyholders, including holders of the Notes.

Separately, on 23 January 2024, the PRA published a consultation on the introduction of new rules for UK insurers (such as the Issuer) to ensure they are appropriately prepared to undertake a solvent exit (as an alternative to recovery action), including by producing and maintaining a solvent exit analysis and, where solvent exit becomes a reasonable prospect, preparing a detailed solvent exit execution plan. The PRA published a policy statement on these proposed reforms in December 2024, which will be implemented by way of new rules and a new Supervisory Statement SS11/24. UK insurers (such as the Issuer) are expected to comply with these new rules and expectations by 30 June 2026.

## **Risks related to the market generally**

### ***The secondary market generally***

Notes may have no established trading market when issued, and one may never develop. If a market does develop, it may not be liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable with similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities. In addition, liquidity may be limited if the Issuer makes larger allocations to a limited number of investors. Illiquidity may have a severely adverse effect on the market value of Notes.

### ***Exchange rate risks and exchange controls***

The Issuer will pay principal and interest on the Notes in Sterling. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the “**Investor's Currency**”) other than Sterling. These include the risk that exchange rates may significantly change (including changes due to devaluation of Sterling or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls that could adversely affect an applicable exchange rate. An appreciation in the value of the Investor's Currency relative to Sterling would decrease (1) the Investor's Currency equivalent yield on the Notes, (2) the Investor's Currency equivalent value of the principal payable on the Notes and (3) the Investor's Currency equivalent market value of the Notes.

The above risks may result in investors receiving less interest or principal than expected, or no interest or principal.

***Interest rate risks***

Investments in Fixed Rate Notes and Fixed Rate Reset Notes involves the risk that changes in market interest rates after the Issue Date and, in the case of Fixed Rate Reset Notes only, after the First Reset Note Reset Date or each Reset Note Reset Date (as applicable), may adversely affect the value of Fixed Rate Notes and, as the case may be, Fixed Rate Reset Notes.

***Credit ratings may not reflect all risks***

One or more independent credit rating agencies may assign credit ratings to an issue of Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. Changes in methodology and criteria used by such credit agencies could also result in downgrades to the credit ratings initially assigned to an issue of Notes that do not reflect changes in the general economic conditions or the Issuer's financial condition.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes in the EEA, unless such ratings are issued by a credit rating agency established in the EEA and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restrictions will also apply in the case of credit ratings issued by third country non-EEA credit rating agencies, unless the relevant credit ratings are endorsed by an EEA-registered credit rating agency or the relevant third country rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances).

The list of registered and certified rating agencies published by the European Securities and Markets Authority (“**ESMA**”) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list.

Investors regulated in the UK are subject to similar restrictions under the UK CRA Regulation. As such, UK regulated investors are required to use, for UK regulatory purposes, ratings issued by a credit rating agency established in the UK and registered under the UK CRA Regulation. In the case of ratings issued by third country non-UK credit rating agencies, third country credit ratings can either be: (i) endorsed by a UK registered credit rating agency; or (ii) issued by a third country credit rating agency that is certified in accordance with the UK CRA Regulation. Note this is subject, in each case, to: (i) the relevant UK registration, certification or endorsement, as the case may be, not having been withdrawn or suspended; and (ii) transitional provisions that apply in certain circumstances. In the case of third country ratings, for a certain limited period of time, transitional relief accommodates continued use, for regulatory purposes in the UK, of existing pre-2021 ratings, provided the relevant conditions are satisfied.

If the status of the rating agency rating the Notes changes for the purposes of the CRA Regulation or the UK CRA Regulation, relevant regulated investors may no longer be able to use the rating for regulatory purposes in the EEA or the UK, as applicable, and the Notes may have a different regulatory treatment, which may impact the value of the Notes and their liquidity in the secondary market.

A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

## DOCUMENTS INCORPORATED BY REFERENCE

This Offering Memorandum should be read and construed in conjunction with the following documents:

- (1) the following sections of the Issuer's Annual Report and Accounts for the year ended 31 December 2023 <https://static.aviva.io/content/dam/aviva-corporate/documents/investors/pdfs/reports/2023/aviva-plc-annual-report-and-accounts-2023.pdf>:
  - a. the audited consolidated financial statements of the Issuer for the year ended 31 December 2023 and the notes to the financial statements prepared in accordance with UK-adopted international accounting standards and the Companies Act 2006 (together with the audit report prepared in connection therewith), which appear on pages 172 to 351;
  - b. the APMs (as defined below) which appear on pages 353 to 371; and
  - c. the terms defined in the glossary listed at <https://www.aviva.com/glossary/>;
- (2) the Issuer's Annual Report and Accounts for the year ended 31 December 2024 <https://static.aviva.io/content/dam/aviva-corporate/documents/investors/pdfs/reports/2024/aviva-plc-annual-report-and-accounts-2024.pdf> except for the following sections:
  - a. the section entitled “*Our risks and risk management*”, which appears on pages 74 to 82; and
  - b. the Governance Report which appears on pages 84 to 149;
- (3) the Issuer's Results Presentation for the year ended 31 December 2024 <https://static.aviva.io/content/dam/aviva-corporate/documents/investors/pdfs/presentations/2024/aviva-full-year-2024-analyst-presentation.pdf> except for the following:
  - a. the line “*On track for £2bn operating profit target*” which appears on page 8 and the associated footnote;
  - b. the line “*On track for our ambition of £100m operating profit by 2026*” which appears on page 15;
  - c. the line “*On track for our ambition of £280m operating profit by 2027*” which appears on page 16;
  - d. page 22 and the associated footnotes;
  - e. both instances of the phrase “*Operating Profit*” and the associated footnotes and the words “*15.6% IFRS RoE*” which appear on page 28; and
  - f. the section entitled “*On tracks for our targets*”, which appears on page 36;
- (4) the Solvency and Financial Condition Report 2023 for the year ended 31 December 2023 <https://static.aviva.io/content/dam/aviva-corporate/documents/investors/pdfs/regulatoryreturns/2023/Aviva-plc-Single-Group-wide-SFCR-2023.pdf>;
- (5) the Recommended Cash and Share Offer for Direct Line Insurance Group plc by Aviva plc announcement dated 23 December 2024 <https://prod-aws.londonstockexchange.com/news-article/AV./offer-for-direct-line-insurance-group-plc/16823566> except for Appendix 6 (*Profit Forecast*) which appears on pages 62 to 63;
- (6) the Recommended Offer for Direct Line Insurance Group plc presentation dated 23 December 2024 [https://static.aviva.io/content/dam/aviva-corporate/documents/aviva/Aviva-plc\\_Recommended-Offer-for-Direct-Line-Insurance-Group-plc.pdf](https://static.aviva.io/content/dam/aviva-corporate/documents/aviva/Aviva-plc_Recommended-Offer-for-Direct-Line-Insurance-Group-plc.pdf) except for the following:
  - a. the line “*On track for £2bn operating profit target*” which appears on page 6 and the associated footnote;
  - b. all three instances of the phrase “*Operating Profit*” which appear on page 9 and the associated footnotes; and
  - c. page 29 and the associated footnotes; and
- (7) the Recommended Cash and Share Offer for Direct Line Insurance Group plc by Aviva plc scheme document dated 10 February 2025 [https://static.aviva.io/content/dam/aviva-corporate/documents/aviva/Scheme-Document\\_\(10-February-2025\).pdf](https://static.aviva.io/content/dam/aviva-corporate/documents/aviva/Scheme-Document_(10-February-2025).pdf) except for:
  - a. paragraph 10 (*Aviva 2025 Profit Forecast and 2026 Profit Forecast*) which appears on page 27; and
  - b. Appendix II (*Aviva Profit Forecasts*) which appears on pages 121 to 127.

Such documents shall be deemed to be incorporated in, and form part of, this Offering Memorandum save that any statement contained in a document which is deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Offering Memorandum to the extent that a statement contained herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or

superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Offering Memorandum. Where a document listed above has been extracted from another document, the remainder of the document from which it is extracted is not relevant for the purposes of this Offering Memorandum. Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Memorandum shall not constitute part of this Offering Memorandum. Items (1) and (2) listed above were prepared in accordance with applicable law and IFRS.

#### **Alternative Performance Measures**

Certain alternative performance measures (“APMs”) are included or referred to in this Offering Memorandum. APMs are non-GAAP measures used by the Group within its financial publications to supplement disclosures prepared in accordance with other regulations such as IFRS and the Solvency UK Directive. The Issuer considers that these measures provide useful information to enhance the understanding of financial performance. The APMs should be viewed as complementary to, rather than a substitute for, the figures determined according to other regulatory measures. An explanation of each such metric’s components and calculation method can be found at pages 353 to 371 (incorporated by reference herein) of the Issuer’s Annual Report and Accounts for the year ended 31 December 2023; and pages 312 to 326 (incorporated by reference herein) of the Issuer’s Annual Report and Accounts for the year ended 31 December 2024.

## TERMS AND CONDITIONS OF THE NOTES

*The following is the text of the terms and conditions of the Notes (as defined below) that, save for paragraphs in italics, shall be applicable to the Certificates (as defined below) in definitive form (if any) issued in exchange for the Global Certificates representing the Notes. The full text of these terms and conditions shall be endorsed on the Certificates relating to such Notes. Provisions in italics do not form part of the Conditions (as defined below).*

The issue of the £500,000,000 Fixed Rate Reset Perpetual Restricted Tier 1 Contingent Convertible Notes (the “**Notes**”, which expression shall in these terms and conditions (the “**Conditions**”), unless the context otherwise requires, include any further tranche(s) of Notes issued pursuant to Condition 16) was (save in respect of any such further tranche(s) of Notes issued pursuant to Condition 16) authorised by resolutions of the board of directors (the “**Board**”) and a committee of the Board of Aviva plc (the “**Issuer**”, which term shall include any substitute therefor from time to time pursuant to the terms of Condition 12(d)) passed on 25 February 2025 and 13 March 2025 respectively.

The Notes are constituted by a trust deed dated 31 March 2025 (as amended or supplemented from time to time, the “**Trust Deed**”) between the Issuer and The Law Debenture Trust Corporation p.l.c. (the “**Trustee**”, which expression shall include all persons for the time being the trustee or trustees under the Trust Deed) as trustee for the Noteholders (as defined below). These Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed, which includes the form of the Certificates referred to below. An Agency Agreement dated 31 March 2025 (as amended or supplemented from time to time, the “**Agency Agreement**”) has been entered into in relation to the Notes between the Issuer, the Trustee, HSBC Bank plc as initial issuing, paying and conversion agent and the other agents named in it. The issuing, paying and conversion agent, the paying agents, the registrar, the transfer agents and the calculation agent(s) for the time being (if any) are referred to below respectively as the “**Issuing, Paying and Conversion Agent**”, the “**Paying Agents**” (which expression shall include the Issuing, Paying and Conversion Agent), the “**Registrar**”, the “**Transfer Agents**” (which expression shall include the Registrar) and the “**Calculation Agent(s)**”. A conversion calculation agency agreement dated 31 March 2025 (as amended or supplemented from time to time, the “**Conversion Calculation Agency Agreement**”) has been entered into in relation to the Notes between the Issuer and Conv-Ex Advisors Limited as conversion calculation agent (the “**Conversion Calculation Agent**”, which expression shall include any successor as conversion calculation agent). Copies of the Trust Deed, the Agency Agreement and the Conversion Calculation Agency Agreement (i) are available for inspection during usual business hours and upon reasonable notice by appointment at the principal office of the Trustee (presently at 8th Floor, 100 Bishopsgate, London EC2N 4AG, United Kingdom) and at the specified offices of the Paying Agents and the Transfer Agents (the Trust Deed is also available at the website of the Issuer at <https://www.aviva.com/investors/credit-ratings-and-debt/>) or (ii) may be provided by email to a Noteholder following its prior written request to any Paying Agent or the Trustee, in each case upon provision of proof of holding of Notes and identity (in a form satisfactory to the relevant Paying Agent or the Trustee, as the case may be).

The Noteholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Trust Deed and are deemed to have notice of those provisions applicable to them of the Agency Agreement and the Conversion Calculation Agency Agreement.

As used in these Conditions, “**Tranche**” means Notes which are identical in all respects.

### 1. Form, Denomination and Title

The Notes are issued in registered form in specified denominations of £200,000 and integral multiples of £1,000 in excess thereof. The Notes are represented by registered certificates (“**Certificates**”) and, save as provided in Condition 2(b), each Certificate shall represent the entire holding of the Notes by the same holder.

Title to the Notes shall pass upon registration in the register that the Issuer shall procure to be kept by the Registrar in accordance with the provisions of the Agency Agreement (the “**Register**”). Except as ordered by a court of competent jurisdiction or as required by law, the holder (as defined below) of any Note shall be deemed to be and may be treated as its absolute owner for all purposes whether or not it is overdue and regardless of any notice of ownership, trust or an interest in it, any writing on it (or on the Certificate representing it) or its theft or loss (or that of the related Certificate) and no person shall be liable for so treating the holder.

In these Conditions, “**Noteholder**” and “**holder**” means the person in whose name a Note is registered in the Register.

### 2. Transfers of the Notes

#### (a) *Transfers of the Notes*

One or more Notes may, subject to Condition 2(e), be transferred upon the surrender (at the specified office of the Registrar or any Transfer Agent) of the Certificate representing such Notes to be transferred, together with the form of transfer (as set out in Schedule 1 of the Trust Deed) endorsed on such Certificate (or another form of transfer substantially in the same form and containing the same representations and certifications (if any), unless



otherwise agreed by the Issuer), duly completed and executed and any other evidence as the Registrar or Transfer Agent may reasonably require. In the case of a transfer of part only of a holding of Notes represented by one (1) Certificate, a new Certificate shall be issued to the transferee in respect of the part transferred and a further new Certificate in respect of the balance of the holding not transferred shall be issued to the transferor. All transfers of Notes and entries on the Register will be made subject to the detailed regulations concerning transfers of Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer, with the prior written approval of the Registrar and the Trustee. A copy of the current regulations will be made available by the Registrar to any Noteholder upon request.

**(b) Exercise of Options in Respect of the Notes**

In the case of an exercise of an Issuer's option in respect of a holding of Notes represented by a single Certificate, a new Certificate shall be issued to the holder to reflect the exercise of such option. New Certificates shall only be issued against surrender of the existing Certificates to the Registrar or any Transfer Agent. In the case of a transfer of Notes to a person who is already a holder of Notes, a new Certificate representing the enlarged holding shall only be issued against surrender of the Certificate representing the existing holding.

**(c) Delivery of New Certificates**

Each new Certificate to be issued pursuant to Condition 2(a) or (b) shall be available for delivery within three (3) Business Days of receipt of the form of transfer and surrender of the Certificate for exchange. Delivery of the new Certificate(s) shall be made at the specified office of the relevant Transfer Agent or of the Registrar (as the case may be) to whom delivery or surrender of such form of transfer or Certificate shall have been made or, at the option of the holder making such delivery or surrender as aforesaid and as specified in the relevant form of transfer or otherwise in writing, be mailed by uninsured post at the risk of the holder entitled to the new Certificate to such address as may be so specified, unless such holder requests otherwise and pays in advance to the Registrar or relevant Transfer Agent (as applicable) the costs of such other method of delivery and/or such insurance as it may specify. In this Condition 2(c), "**Business Day**" means a day, other than a Saturday or Sunday, on which banks are open for business in the place of the specified office of the relevant Transfer Agent or the Registrar (as the case may be).

**(d) Transfer Free of Charge**

Transfer of Notes and Certificates on registration, transfer or exercise of an option shall be effected without charge by or on behalf of the Issuer, the Registrar or the relevant Transfer Agent, but upon payment of any tax, duty, assessment or other governmental charges by the person submitting such Notes or Certificates that may be imposed in relation to it (or the giving of such indemnity as the Registrar or the relevant Transfer Agent may require).

**(e) Closed Periods**

No Noteholder may require the transfer of a Note to be registered (i) during the period of fifteen (15) days ending on the due date for redemption of that Note, (ii) during the period of fifteen (15) days prior to any date on which Notes may be called for redemption by the Issuer at its option pursuant to Condition 7(g), (iii) after any such Note has been called for redemption, (iv) during the period of seven (7) days ending on (and including) any Record Date or (v) at any time after the second Business Day following the giving of a Trigger Event Notice by the Issuer.

**3. Status**

**(a) General**

The Notes constitute direct, unsecured and subordinated obligations of the Issuer and rank *pari passu* and without any preference among themselves. The rights and claims of the Noteholders are subordinated as described in this Condition 3.

**(b) Solvency Condition**

Other than where Condition 3(c) or Condition 3(d) applies, and subject as provided in Condition 3(f), all payments under or arising from the Notes and the Trust Deed (including, without limitation, any payments in respect of damages awarded for breach of any obligations but excluding (if applicable) any cash component of the Conversion Shares Offer Consideration) shall be conditional upon the Issuer being solvent at the time for payment by the Issuer, and no amount shall be payable under or arising from the Notes and the Trust Deed (including, without limitation, any payments in respect of damages awarded for breach of any obligations but excluding (if applicable) any cash component of the Conversion Shares Offer Consideration) unless and until such time as the Issuer could make such payment and still be solvent immediately thereafter (the "**Solvency Condition**"). For the purposes of this Condition 3(b), the Issuer will be solvent if (i) it is able to pay its debts owed to Senior Creditors and *Pari Passu* Creditors (as defined in Condition 3(c) below) as they fall due and (ii) its Assets exceed its Liabilities. A certificate as to the solvency of the Issuer signed by two (2) Directors or other Authorised Signatories of the Issuer

or, if there is a winding-up or administration of the Issuer, the liquidator or, as the case may be, the administrator of the Issuer shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the holders of the Notes and all other interested parties as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without liability to any person and without further enquiry.

Any payment of interest that would have been due and payable but for the operation of this Condition 3(b) shall be cancelled pursuant to Condition 5(b).

(c) **Winding-up prior to a Trigger Event**

If at any time prior to the date on which a Trigger Event occurs:

- (A) an order is made, or an effective resolution is passed, for the winding-up or liquidation of the Issuer (other than an Approved Winding-up);
- (B) an administrator of the Issuer is appointed and such administrator declares, or gives notice that it intends to declare and distribute, a dividend; or
- (C) any other event or procedure analogous to that described in paragraph (A) or (B) above occurs in respect of the Issuer (including, if applicable, any special insolvency procedure or special administration procedure pursuant to any applicable regime for the recovery and resolution of insurance firms and their affiliates),

(the events in (A), (B) and (C) each being an “**Issuer Winding-Up**”) there shall be payable by the Issuer in respect of each Note (in lieu of any other payment by the Issuer) such amount, if any, that would have been payable in respect of that Note if, on the day prior to the commencement of the winding-up or liquidation of the Issuer or the Issuer's entry into administration or the occurrence of the analogous event or procedure and thereafter, the holder of that Note was the holder of one (1) of a class of preference shares in the capital of the Issuer (“**Notional Preference Shares**”):

- (i) having a preferential right to a return of assets in such an Issuer Winding-Up to, and so ranking ahead of, the holders of the Ordinary Shares and shares of any other class which may be issued or deemed to be in issue for the time being in the capital of the Issuer (other than shares of any class referred to in paragraphs (ii) below);
- (ii) having an equal right to a return of assets in such an Issuer Winding-Up to, and so ranking *pari passu* with:
  - (1) (unless the holders of the following securities are Senior Creditors by virtue of paragraph (ii) of the definition of “Senior Creditors”) the holders of the Existing Preference Shares (if any remain outstanding) and the holders of any securities of the Issuer which, by their terms, rank or are expressed to rank *pari passu* with any of the Existing Preference Shares in such Issuer Winding-Up; and
  - (2) the holders of securities of the Issuer which, by their terms, rank or are expressed to rank *pari passu* with the Notes in an Issuer Winding-Up or other return of capital (including, without limitation, shares of any class (other than those in (1) above) which may be issued or deemed to be in issue for the time being in the capital of the Issuer which, by their terms, rank or are expressed to rank *pari passu* with the Notional Preference Shares in an Issuer Winding-Up or other return of capital),

(the holders of such securities being “**Pari Passu Creditors**”); and

- (iii) ranking behind the claims of Senior Creditors,

on the assumption that the holder of each such Notional Preference Share was entitled (to the exclusion of all other rights and privileges) to receive, in respect of each such Notional Preference Share, as a return of capital in such an Issuer Winding-Up an amount equal to the principal amount of the relevant Note then outstanding together with, to the extent not otherwise included within the foregoing, any other amounts attributable to the Note, including any accrued but unpaid interest thereon (to the extent not cancelled in accordance with these Conditions) and any damages awarded for breach of any obligations in respect thereof, whether or not the Solvency Condition is satisfied on the date upon which the same would otherwise be due and payable (and, in the case of an administration, on the assumption that shareholders were entitled to claim and recover in respect of their shares to the same degree as in a winding-up or liquidation).

(d) **Winding-up on or after a Trigger Event**

If, at any time on or after the date on which a Trigger Event occurs, an Issuer Winding-Up occurs but the relevant Ordinary Shares to be issued and delivered to the Conversion Shares Depositary on Conversion in accordance with Condition 6 have not been so delivered, there shall be payable by the Issuer in respect of each Note (in lieu of any other payment by the Issuer) such amount, if any, that would have been payable in respect of that Note if, on the day prior to the commencement of the winding-up or liquidation of the Issuer or the Issuer's entry into

administration or the occurrence of the analogous event and thereafter, the holder of that Note was the holder of such number of Ordinary Shares as it would have been entitled to receive following Conversion of that Note in accordance with Condition 6 (ignoring for these purposes the Issuer's right to make an election for a Conversion Shares Offer to be effected in accordance with Condition 6(f)), whether or not the Solvency Condition is satisfied on the date upon which the same would otherwise be due and payable (and, in the case of an administration, on the assumption that shareholders were entitled to claim and recover in respect of their shares to the same degree as in a winding-up or liquidation).

(e) ***Set-off etc.***

Subject to applicable law, no holder of the Notes may exercise, claim or plead any right of set-off, compensation or retention in respect of any amount owed to it by the Issuer arising under or in connection with the Notes and each holder of the Notes shall, by virtue of being the holder of any Note, be deemed to have waived all such rights of set-off, compensation or retention. Notwithstanding the preceding sentence, if any of the amounts owing to any holder of the Notes by the Issuer is discharged by set-off, such holder shall, unless such payment is prohibited by applicable law, immediately pay an amount equal to the amount of such discharge to the Issuer or, in the event of an Issuer Winding-Up, the liquidator or administrator, as appropriate, of the Issuer for payment to the Senior Creditors in respect of amounts owing to them by the Issuer, and, until such time as payment is made, shall hold an amount equal to such amount in trust for the Issuer, or the liquidator or administrator, as appropriate, of the Issuer (as the case may be), for payment to the Senior Creditors in respect of amounts owing to them by the Issuer and, accordingly, any such discharge shall be deemed not to have taken place.

On a winding-up of the Issuer, there may be no surplus assets available to meet the claims of the Noteholders after the claims of the parties ranking senior to the Noteholders (as provided in Condition 3) have been satisfied.

(f) ***Trustee's fees***

Nothing in the Trust Deed or these Conditions shall affect, subordinate or prejudice the payment of the costs, fees, charges, expenses, liabilities or remuneration of the Trustee under the Trust Deed or the rights and remedies of the Trustee in respect thereof.

#### **4. Interest and other Calculations**

(a) ***Interest Rate***

(i) Subject to Conditions 3(b), 5 and 6(i), the Notes bear interest on their outstanding principal amount at the applicable Rate of Interest from (and including) the Issue Date in accordance with the provisions of this Condition 4.

Subject to Conditions 3(b), 5 and 6(i), interest shall be payable on the Notes semi-annually in arrear on each Interest Payment Date in equal instalments, in each case as provided in this Condition 4.

Interest in respect of the Notes shall be calculated per £1,000 in principal amount outstanding of the Notes (the "**Calculation Amount**").

(ii) Where it is necessary to compute an amount of interest in respect of any Note for any period (other than any full Interest Period), the amount of interest payable (subject as aforesaid) per Calculation Amount shall be equal to the product of (i) the Calculation Amount, (ii) the relevant Rate of Interest for the relevant period, and (iii) the Day Count Fraction for the relevant period, rounding the resulting figure to the nearest penny (half a penny being rounded upwards).

In these Conditions, "**Day Count Fraction**" means, in respect of any relevant accrual period, (a) the actual number of days in the accrual period from and including the date from which interest begins to accrue (the "**Accrual Date**") to but excluding the date on which it falls due divided by (b) twice the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

(b) ***Interest Accrual***

Subject to Conditions 3(b), 5 and 6(i), the Notes will accrue interest in respect of each Interest Period and cease to bear interest from (and including) the due date for redemption or substitution thereof pursuant to Condition 7, unless, upon surrender of the Certificate representing any Note, payment of all amounts due in respect of such Note is not properly and duly made, in which event interest shall continue to accrue on the principal amount of such Note, both before and after judgment, and shall be payable, as provided in these Conditions up to (but excluding) the Relevant Date.

(c) ***Initial Rate of Interest***

Subject to Condition 3(b), 5 and 6(i), for each Interest Period falling within the period from (and including) the Issue Date to (but excluding) the First Reset Date, the Notes bear interest at the rate of 7.750 per cent. per annum (the “**Initial Rate of Interest**”).

**(d) *Reset Rate of Interest***

The Rate of Interest will be reset in accordance with this Condition 4 on each Reset Date. The Reset Rate of Interest applicable in respect of each Reset Period will be determined by the Calculation Agent on the relevant Reset Determination Date.

**(e) *Determination of Reset Rate of Interest***

The Calculation Agent will, as soon as practicable after 11:00 a.m. (London time) on each Reset Determination Date, determine the applicable Reset Rate of Interest in respect of the Reset Period commencing immediately following each Reset Determination Date and shall promptly notify the Issuer, the Issuing, Paying and Conversion Agent and the Trustee thereof.

**(f) *Publication of Reset Rate of Interest***

Once the Issuer, the Issuing, Paying and Conversion Agent and the Trustee have been notified of an applicable Reset Rate of Interest by the Calculation Agent in accordance with Condition 4(e), the Issuer shall cause notice of such Reset Rate of Interest, and the amount of interest which will, subject to Conditions 3(b), 5 and 6(i), be payable per Calculation Amount on each Interest Payment Date in respect of which such Reset Rate of Interest applies, to be given to the Noteholders in accordance with Condition 17 as soon as reasonably practicable after the determination of such Reset Rate of Interest in accordance with Condition 4(e) and in any event no later than the fourth Business Day thereafter.

**(g) *Determinations and calculation***

If the Calculation Agent does not at any time for any reason determine or calculate the Rate of Interest for an Interest Period, the Issuer shall (with the prior approval of the Trustee) appoint another leading financial institution (which may or may not be an institution which is also appointed to replace the Calculation Agent pursuant to Condition 4(h) below) to do so and such determination or calculation shall be deemed to have been made by the Calculation Agent. In doing so, the leading financial institution selected by the Issuer shall apply the foregoing provisions of this Condition 4, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

**(h) *Calculation Agent***

Unless the Issuer has given notice that it intends to redeem the Notes on or before the First Reset Date pursuant to Condition 7, with effect from the date falling no later than five (5) days prior to the First Reset Date and for so long as any of the Notes remains outstanding, the Issuer shall appoint and maintain a Calculation Agent. If the Issuer has given notice that it intends to redeem the Notes on or before the First Reset Date pursuant to Condition 7 but such redemption is, as determined on or after the fifth day prior to the First Reset Date, required to be suspended or to continue to be suspended in accordance with Condition 7(d), the Issuer shall appoint a Calculation Agent as soon as reasonably practicable following the determination that such redemption is to be suspended or to continue to be suspended and shall maintain the same so long as any of the Notes remain outstanding.

The Issuer may, with the prior written approval of the Trustee, from time to time replace the Calculation Agent with another leading financial institution in London. If the Calculation Agent is unable or unwilling to continue to act as the Calculation Agent, the Issuer shall forthwith appoint another leading financial institution in London approved in writing by the Trustee to act as such in its place. The Calculation Agent may not resign its duties or be removed without a successor having been appointed.

**(i) *Determinations binding***

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition 4, by the Calculation Agent or any leading financial institution appointed pursuant to Condition 4(g) or 4(h), shall (in the absence of manifest error) be binding on the Issuer, the Calculation Agent, the Trustee, the Issuing, Paying and Conversion Agent, the Conversion Calculation Agent and all Noteholders.

**(j) *Definitions***

In these Conditions, unless the context otherwise requires, the following defined terms shall have the meanings set out below:

“**Accrual Date**” has the meaning given to such term in Condition 4(a).

“**Benchmark Gilt**” means, in respect of a Reset Period, (A) such United Kingdom government security customarily used, at the time of selection, in the pricing of new issues of corporate debt securities denominated in Sterling and having a maturity approximately equal to the term of such Reset Period as the Issuer (on the advice of a bank of international standing selected by the Issuer and after consultation with the Calculation Agent) may determine to be appropriate following the then-current guidance published by the International Capital Market Association at the relevant time (if any) or (B) (where (A) does not apply) such United Kingdom government security having a maturity date falling nearest to the last day of such Reset Period.

“**Benchmark Gilt Rate**” means, in respect of a Reset Period, the percentage rate determined by the Calculation Agent on the basis of the Gilt Yield Quotations provided (upon request by or on behalf of the Issuer) by the Reference Banks to the Issuer and by the Issuer to the Calculation Agent at approximately 11:00 a.m. (London time) on the relevant Reset Determination Date in respect of such Reset Period. If at least four (4) quotations are provided, the Benchmark Gilt Rate will be the arithmetic mean of the quotations provided, eliminating the highest quotation (or, in the event of equality, one of the highest) and the lowest quotation (or, in the event of equality, one of the lowest). If only two (2) or three (3) quotations are provided, the Benchmark Gilt Rate will be the arithmetic mean of the quotations provided. If only one (1) quotation is provided, the Benchmark Gilt Rate will be the quotation provided. If no quotations are provided, the Benchmark Gilt Rate will (i) in the case of each Reset Period other than the Reset Period commencing on the First Reset Date, be the relevant Benchmark Gilt Rate in respect of the immediately preceding Reset Period or (ii) in the case of the Reset Period commencing on the First Reset Date, be determined by the Calculation Agent at such rate as is equal to the Initial Rate of Interest minus the Margin.

“**Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks and foreign exchange markets settle payments in London.

“**Day Count Fraction**” has the meaning given to such term in Condition 4(a).

“**First Reset Date**” means 31 March 2033.

“**Gilt Yield Quotation**” means, with respect to a Reference Bank and a Reset Period, the arithmetic mean of the bid and offered yields (on a semi-annual compounding basis) for the Benchmark Gilt in respect of that Reset Period, expressed as a percentage, as quoted by such Reference Bank.

“**Margin**” means 3.194 per cent.

“**Initial Rate of Interest**” has the meaning given to such term in Condition 4(c).

“**Interest Payment**” means, in respect of any Interest Payment Date, the amount of interest which is (or would, but for cancellation in accordance with these Conditions, be) due and payable on such Interest Payment Date.

“**Interest Payment Date**” means 31 March and 30 September in each year, commencing on 30 September 2025.

“**Interest Period**” means the period beginning on (and including) the Issue Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

“**Rate of Interest**” means the Initial Rate of Interest and/or the applicable Reset Rate of Interest, as the case may be.

“**Reference Banks**” means five (5) brokers of gilts and/or gilt-edged market makers selected by the Issuer in its discretion after consultation with the Calculation Agent.

“**Reset Date**” the First Reset Date and each fifth anniversary of the First Reset Date thereafter.

“**Reset Determination Date**” means, in respect of each Reset Period, the second Business Day prior to the first day of each such Reset Period.

“**Reset Period**” means the period from (and including) the First Reset Date to (but excluding) the next Reset Date, and each successive period from (and including) a Reset Date to (but excluding) the next succeeding Reset Date.

“**Reset Rate of Interest**” means, in respect of each Reset Period, the rate of interest being determined by the Calculation Agent on the relevant Reset Determination Date as the sum of the Benchmark Gilt Rate plus the Margin.

## 5. Cancellation of Interest

### (a) *Interest Payments Discretionary*

Interest on the Notes is due and payable only at the sole and absolute discretion of the Issuer and is subject to the provisions of Conditions 3(b), 5(b) and 6(i). Accordingly, the Issuer may at any time elect to cancel any Interest Payment (or any part thereof) which would otherwise be due and payable on any Interest Payment Date.

If the Issuer does not make an Interest Payment or part thereof on the relevant Interest Payment Date, such non-payment shall evidence the non-payment and cancellation of such Interest Payment (or relevant part thereof) by reason of it not being due in accordance with Condition 3(b), the cancellation of such Interest Payment in accordance with Condition 5(b), the cancellation of interest upon the occurrence of a Trigger Event in accordance with Condition 6(i) or, as appropriate, the Issuer's exercise of its discretion otherwise to cancel such Interest Payment (or relevant part thereof) in accordance with this Condition 5(a), and accordingly such interest shall not in any such case be due and payable.

**(b) *Mandatory Cancellation of Interest***

To the extent required by the Relevant Rules at the relevant time and save as otherwise permitted pursuant to Condition 5(c), the Issuer shall cancel in full any Interest Payment on the Notes in accordance with this Condition 5 on any Mandatory Interest Cancellation Date.

A certificate signed by two (2) Directors or other Authorised Signatories of the Issuer confirming that (a) a Mandatory Interest Cancellation Event has occurred and is continuing, or would occur if payment of interest on the Notes were to be made or (b) a Mandatory Interest Cancellation Event has ceased to occur and/or payment of interest on the Notes would not result in a further Mandatory Interest Cancellation Event occurring, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the holders of the Notes and all other interested parties as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without liability to any person and without further enquiry.

**(c) *Waiver of Cancellation of Interest Payments by the Relevant Regulator***

Notwithstanding Condition 5(b), the Issuer shall not be required to cancel an Interest Payment where a Mandatory Interest Cancellation Event has occurred and is continuing, or would occur if such Interest Payment were to be made, where each of the following conditions (or such other conditions as may be imposed by the Relevant Rules at the relevant time) are met:

- (i) the Mandatory Interest Cancellation Event is of the type described in limb (ii) of the definition of Mandatory Interest Cancellation Event only;
- (ii) the Relevant Regulator has provided its permission to the waiver of, or has otherwise waived, the cancellation of the Interest Payment and has provided the Issuer with written confirmation of the same (and such permission or waiver not having been withdrawn);
- (iii) payment of the Interest Payment would not further weaken the solvency position of the Issuer or the Group; and
- (iv) the Minimum Capital Requirement will be complied with immediately following such Interest Payment, if made.

A certificate signed by two (2) Directors or other Authorised Signatories of the Issuer confirming that the conditions set out in this Condition 5(c) (and/or, as the case may be, such other relevant conditions as are then imposed by the Relevant Rules) are met, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the holders of the Notes and all other interested parties as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without liability to any person and without further enquiry.

**(d) *Effect of Cancellation of Interest Payments***

Any Interest Payment (or relevant part thereof) which is cancelled in accordance with this Condition 5 or which is otherwise not due and payable in accordance with Condition 3(b) or which is cancelled in accordance with Condition 6(i) shall not become due and shall not accumulate or be payable at any time thereafter, and Noteholders shall have no rights in respect thereof (whether in an Issuer Winding-Up or otherwise) and any such cancellation or non-payment shall not constitute a default or event of default on the part of the Issuer for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes or take any enforcement action under the Notes or the Trust Deed.

**(e) *Notice of Cancellation of Interest***

The Issuer shall provide notice of any cancellation of any Interest Payment (or any part thereof) pursuant to Condition 5(a) or 5(b) to Noteholders in accordance with Condition 17, and to the Trustee in a certificate signed by two (2) Directors or other Authorised Signatories of the Issuer, and the Issuing, Paying and Conversion Agent

and the Registrar in writing, at least five (5) Business Days prior to the relevant Interest Payment Date (or, if the determination that such Interest Payment (or any part thereof) is to be cancelled is made after such fifth Business Day, as soon as is practicable following the making of such determination). However, any failure to provide such notice will not invalidate the cancellation of the relevant Interest Payment (or relevant part thereof) and shall not constitute a default or event of default on the part of the Issuer for any purpose.

**6. Conversion**

**(a) Notes not convertible at the option of Noteholders or the Trustee**

The Notes are not convertible at the option of Noteholders or the Trustee at any time.

**(b) Conversion upon a Trigger Event**

(i) If a Trigger Event occurs, the Issuer's obligation to repay the principal amount outstanding of each Note and (to the extent applicable) to pay interest on the Notes shall immediately, subject to and as provided in this Condition 6 and without any further action required on the part of the Issuer or the Trustee, be irrevocably released and discharged and substituted for an undertaking on the part of the Issuer to issue and deliver Ordinary Shares, credited as fully paid, in the manner and in the circumstances described below to the Conversion Shares Depository, to be held on trust (on terms permitting a Conversion Shares Offer in accordance with Condition 6(f)) for the Noteholders, as provided below.

(ii) On the Share Delivery Date, the Issuer shall issue and deliver to the Conversion Shares Depository a number of Ordinary Shares determined by the Conversion Calculation Agent by dividing the aggregate principal amount outstanding of the Notes immediately prior to Conversion by the Conversion Price prevailing on the Conversion Date, subject as provided in Condition 6(b)(vii) and Condition 6(p).

The “**Conversion Price**” per Ordinary Share in respect of the Notes is £3.885, subject to adjustment in the circumstances described in Condition 6(j).

(iii) Upon the issue and delivery of the Conversion Shares to the Conversion Shares Depository on the Share Delivery Date, the Issuer shall be deemed to have redeemed the Notes on the Conversion Date in an amount equal to their principal amount outstanding and the Noteholders shall be deemed irrevocably to have directed and authorised the Issuer to apply such sum on their behalf in paying up the Conversion Shares issued and delivered to the Conversion Shares Depository on the Share Delivery Date.

(iv) Once a Note has been converted into Ordinary Shares, there is no provision for the re-conversion of such Ordinary Shares back into Notes.

(v) Immediately upon, and following Conversion, the Issuer's obligations under the Notes shall irrevocably be released and discharged in full and no Noteholder will have any rights against the Issuer with respect to such obligations. Provided that the Issuer so issues and delivers the Conversion Shares, from (and including) the Share Delivery Date Noteholders shall have recourse only to the Conversion Shares Depository for the delivery to them of such Conversion Shares or, subject to and as provided in Condition 6(f) to the extent applicable, the Conversion Shares Offer Consideration.

(vi) Subject to Condition 3(d), if the Issuer fails to issue and deliver the Conversion Shares to the Conversion Shares Depository on the Share Delivery Date, a Noteholder's only right under the Notes against the Issuer for any such failure will be to claim to have such Conversion Shares so issued and delivered.

(vii) If (A) the Share Delivery Date falls after the date which is the record date or other due date for the establishment of entitlement in respect of any consolidation, reclassification, re-designation or subdivision as is mentioned in Condition 6(j)(i), or which is the record date or other due date for the establishment of entitlement for any such issue, distribution, grant or offer (as the case may be) as is mentioned in Condition 6(j)(ii), 6(j)(iii) or 6(j)(iv), (B) the Conversion Date falls before the relevant adjustment to the Conversion Price becomes effective under Condition 6(j) and (C) the date on which such adjustment becomes effective falls no later than the Dealing Day immediately preceding the Share Delivery Date, the Issuer shall procure that there shall be issued and delivered on the Share Delivery Date to the Conversion Shares Depository such additional number of Ordinary Shares (if any) (the “**Additional Ordinary Shares**”) as, together with the number of Ordinary Shares to be issued and delivered on Conversion determined on the basis of the Conversion Price in effect on the Conversion Date, is equal to the number of Ordinary Shares which would have been required to be issued and delivered on Conversion if the relevant adjustment to the Conversion Price had been made and become effective immediately prior to the relevant Conversion Date, all as determined in good faith by the Calculation Agent or an Independent Adviser.

**(c) Notification of the occurrence of a Trigger Event**

- (i) Whether a Trigger Event has occurred at any time shall be determined by the Issuer, and such determination shall (in the absence of manifest error) be binding on the Trustee, the Paying Agents, the Conversion Calculation Agent and the Noteholders. Following the occurrence of a Trigger Event, the Issuer shall promptly notify the Relevant Regulator and shall deliver to the Trustee, the Paying Agents and the Conversion Calculation Agent a certificate signed by two (2) Directors or other Authorised Signatories of the Issuer certifying that a Trigger Event has occurred. The certificate shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Paying Agents, the Conversion Calculation Agent, the Noteholders and all other interested parties as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without liability to any person and without further enquiry.
- (ii) Following the occurrence of a Trigger Event, but only after delivery to the Trustee of the certificate referred to in Condition 6(c)(i), the Issuer shall promptly (and, in any event, within such period as the Relevant Regulator may require) give notice thereof to the Noteholders (a “**Trigger Event Notice**”) in accordance with Condition 17, and to the Trustee, the Conversion Calculation Agent and the Issuing, Paying and Conversion Agent in writing, stating:
- (A) details of the Trigger Event;
  - (B) the date on which the Trigger Event occurred (the “**Conversion Date**”);
  - (C) the Conversion Price prevailing on the Conversion Date (which shall remain subject to any subsequent adjustment pursuant to Condition 6(j) up to the last Dealing Day immediately preceding the Share Delivery Date);
  - (D) the Share Delivery Date or expected Share Delivery Date;
  - (E) the Notice Cut-off Date and the Final Cancellation Date;
  - (F) details of the Conversion Shares Depository and how notices may be delivered to the Conversion Shares Depository;
  - (G) that the Issuer has the option, at its sole and absolute discretion, to elect that a Conversion Shares Offer be conducted and that the Issuer will issue a Conversion Shares Offer Notice in accordance with Condition 17 on or before the Final Conversion Shares Offer Notice Delivery Date notifying Noteholders of its decision as to such election;
  - (H) that each Noteholder shall be entitled to deliver an Opt-Out Notice in respect of any Conversion Shares Offer as described in Condition 6(g); and
  - (I) that the Notes shall remain in existence until the applicable Settlement Date (or, if earlier, the Final Cancellation Date) for the sole purpose of evidencing the relevant Noteholder's right to receive Conversion Shares or Conversion Shares Offer Consideration, as applicable, from the Conversion Shares Depository.
- Whilst, as provided in Condition 2(d)(v), Noteholders may not require the transfer of a Note to be registered at any time after the second Business Day following the giving of a Trigger Event Notice, interests in the Notes may still be traded in the clearing systems operated by Euroclear Bank SA/NV and Clearstream Banking S.A. up to the Suspension Date – see “Overview of Provisions relating to the Notes while in Global Form – Suspension Date following Conversion”.*
- (iii) Failure by the Issuer to deliver a certificate to the Trustee or to give notice to Noteholders and to the Trustee and the Issuing, Paying and Conversion Agent of the occurrence of a Trigger Event pursuant to this Condition 6(c) shall in no way invalidate or otherwise affect the automatic Conversion of the Notes pursuant to Condition 6(b).

**(d) Waiver of Conversion by the Relevant Regulator**

- (i) To the extent permitted by and in accordance with the Relevant Rules in force as at the relevant time, a Conversion may be waived by permission from the Relevant Regulator at any time prior to the relevant Trigger Event if such a Conversion (taking into account the write-down or conversion of any other Own Fund Items on or around the same date) would give rise to a tax liability that would have a significant adverse effect on the solvency or capital position of the Issuer and/or the Group. If a Conversion is so waived, such Conversion shall not occur (but without prejudice to the cancellation of any Interest Payment or part thereof pursuant to Condition 5, and further without prejudice to Conversion upon the occurrence of a subsequent Trigger Event in respect of which the Relevant Regulator does not grant such a waiver). The Issuer shall give notice to the Trustee, the Issuing, Paying and Conversion Agent,



any stock exchange on which the Notes are for the time being listed or admitted to trading and, in accordance with Condition 17, the Noteholders of the grant of any such waiver as soon as practicable following its receipt from the Relevant Regulator.

- (ii) A certificate signed by two (2) Directors or other Authorised Signatories of the Issuer confirming that the Relevant Regulator has permitted the waiver of any Conversion as described in the immediately preceding paragraph shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without further investigations and without liability to any person.

*Under the Relevant Rules in force as at the Issue Date, the Relevant Regulator is permitted (but not required) to permit the waiver of a Conversion in certain limited circumstances (being that it was triggered only by limb (iii) of the definition of "Trigger Event" and has not been triggered previously by either of limbs (i) or (ii) of such definition) where it has received, prior to the relevant Trigger Event (a) projections provided by the Issuer and/or the Group when it submits its recovery plan required by the Relevant Rules, that demonstrate that triggering the principal loss absorption mechanism in such case would be very likely to give rise to a tax liability that would have a significant adverse effect on the Issuer's and/or the Group's solvency position; and (b) a certificate issued by the Issuer's or the Group's auditors certifying that all of the assumptions used in the projections are realistic.*

**(e) Conversion Shares Depositary**

- (i) The Issuer shall use all reasonable endeavours to appoint a Conversion Shares Depositary as soon as reasonably practicable following the occurrence of a Trigger Event.
- (ii) If the Issuer is unable to appoint a Conversion Shares Depositary, it shall make such other arrangements for the issuance and delivery of the Conversion Shares as it shall consider reasonable in the circumstances, which may include issuing and delivering the Conversion Shares to another independent nominee to be held on trust (on terms permitting a Conversion Shares Offer in accordance with Condition 6(f)) for the Noteholders or to the Noteholders directly. The issuance and delivery of the Conversion Shares pursuant to such other arrangements shall irrevocably discharge and satisfy all of the Issuer's obligations under the Notes as though the relevant Conversion Shares had been issued and delivered to the Conversion Shares Depositary and, in which case, where the context so admits, references in these Conditions to the issue and delivery of Conversion Shares to the Conversion Shares Depositary, and all references herein regarding matters to be undertaken by, or in respect of, the Conversion Shares Depositary shall be construed as though they were references to such other arrangements and apply *mutatis mutandis* (including, without limitation, for the purposes of the delivery of Opt-Out Notices and Conversion Shares Settlement Notices by Noteholders, and the receipt by them of the Conversion Shares and/or, as the case may be, Conversion Shares Offer Consideration to which they are entitled (as applicable)).
- (iii) The Conversion Shares shall (except where the Issuer has been unable to appoint a Conversion Shares Depositary as contemplated in Condition 6(e)(ii)) initially be registered in the name of the Conversion Shares Depositary, which (subject to the provisions of Condition 6(e)(ii)) shall hold such Conversion Shares on trust for the Noteholders. By virtue of its holding of any Note, each Noteholder shall be deemed to have irrevocably directed the Issuer to issue and deliver such Conversion Shares to the Conversion Shares Depositary.
- (iv) For so long as the Conversion Shares are held by the Conversion Shares Depositary, the Noteholders shall be entitled to direct the Conversion Shares Depositary to exercise on their behalf all rights of an ordinary shareholder (including voting rights and rights to receive dividends) except that Noteholders shall not be able to sell or otherwise transfer such Conversion Shares unless and until such time as they have been delivered to Noteholders in accordance with Condition 6(h).
- (v) Following the issuance and delivery of the Conversion Shares to the Conversion Shares Depositary on the Share Delivery Date, the Notes shall remain in existence until the applicable Settlement Date (or, if earlier, the Final Cancellation Date) for the purpose only of evidencing the Noteholders' right as aforesaid to receive the Conversion Shares and/or the Conversion Shares Offer Consideration, as the case may be, to be delivered by the Conversion Shares Depositary.

**(f) Conversion Shares Offer**

- (i) The Issuer shall be entitled to elect, in its sole and absolute discretion, that the Conversion Shares Depositary (or any agent(s) on its behalf) will make an offer, in the Issuer's sole and absolute discretion, of all or some of the Eligible Conversion Shares to, in the Issuer's sole and absolute discretion, all or

some of the Issuer's Shareholders at such time, such offer to be at a price (translated if necessary into Sterling at the Prevailing Rate on the date on which such Conversion Shares Offer Price is determined) (the "**Conversion Shares Offer Price**") not lower than the Conversion Shares Offer Floor Price, all in accordance with this Condition 6(f) (the "**Conversion Shares Offer**"). For the avoidance of doubt, the Conversion Shares Offer Price may be lower than the Conversion Price.

- (ii) Not later than the Final Conversion Shares Offer Notice Delivery Date, the Issuer shall give notice (a "**Conversion Shares Offer Notice**") to the Noteholders in accordance with Condition 17, and to the Trustee and the Issuing, Paying and Conversion Agent in writing, stating whether or not it has elected that a Conversion Shares Offer be conducted (and, if so, confirming that it has satisfied the requirements of Condition 6(g) below) and specifying the other information referred to at Condition 6(f)(iv) below. If the Issuer fails to give such notice on or before the Final Conversion Shares Offer Notice Delivery Date, the Issuer shall be treated as having elected not to make a Conversion Shares Offer.
- (iii) The Issuer may, on behalf of the Conversion Shares Depositary, appoint one or more Conversion Shares Offer Agents to act as a placement or other agent to facilitate the Conversion Shares Offer. The Issuer may not purchase any Eligible Conversion Shares for its own account pursuant to a Conversion Shares Offer.
- (iv) A Conversion Shares Offer Notice shall specify (1) the Current Market Price of an Ordinary Share as at the latest practicable date prior to the date of the Conversion Shares Offer Notice, (2) the Conversion Shares Offer Floor Price and (3) the period of time for which the Conversion Shares Offer will be open (the "**Conversion Shares Offer Period**"). The Conversion Shares Offer Period shall commence no earlier than the Conversion Shares Offer Period Start Date and shall end no later than the Conversion Shares Offer Period End Date. A Conversion Shares Offer Notice may also specify a final or indicative Conversion Shares Offer Price and/or the basis on which the final Conversion Shares Offer Price will be determined (which, for the avoidance of doubt, may be wholly within the Issuer's discretion) and/or communicated to persons who are eligible to participate in the Conversion Shares Offer.
- (v) Upon expiry of the Conversion Shares Offer Period, the Conversion Shares Depositary will provide notice to the Noteholders in accordance with Condition 17, and to the Trustee and the Issuing, Paying and Conversion Agent in writing, of the final Conversion Shares Offer Price and of the composition of the Conversion Shares Offer Consideration (and of the deductions to the cash component, if any, of the Conversion Shares Offer Consideration (as set out in the definition of "Conversion Shares Offer Consideration")) per Calculation Amount and the amount (if any) of any Excess Amount per Calculation Amount. The Conversion Shares Offer Consideration shall be held on trust by the Conversion Shares Depositary for the Noteholders, and any Excess Amount shall be held on trust by the Conversion Shares Depositary for the Issuer until paid to or to the order of the Issuer. In accordance with Condition 6(h)(vi), the cash component of any Conversion Shares Offer Consideration shall be payable by the Conversion Shares Depositary to the Noteholders in Sterling irrespective of whether or not the Solvency Condition is or would be satisfied upon such payment.
- (vi) The Issuer reserves the right, in its sole and absolute discretion, to elect that the Conversion Shares Depositary terminates the Conversion Shares Offer at any time during the Conversion Shares Offer Period. If the Issuer makes such election, it will promptly provide notice to the Noteholders in accordance with Condition 17, and to the Trustee and the Issuing, Paying and Conversion Agent in writing, and the Conversion Shares Depositary may then, in its sole and absolute discretion, take steps to deliver to Noteholders the Conversion Shares at a time that is earlier than the time at which they would have otherwise received the Conversion Shares Offer Consideration had the Conversion Shares Offer been completed.
- (vii) By virtue of its holding of any Note or any interest therein, each Noteholder acknowledges and agrees that if the Issuer elects, in its sole and absolute discretion, that a Conversion Shares Offer be conducted by (or on behalf of) the Conversion Shares Depositary, such Noteholder shall be deemed to have: (i) irrevocably consented to any Conversion Shares Offer taking place subject to and in accordance with the terms of the Notes (including, without limitation, the ability of Noteholders to opt out of the Conversion Shares Offer pursuant to Condition 6(g)) and, notwithstanding that such Conversion Shares are held by the Conversion Shares Depositary on trust for the Noteholders, to the Conversion Shares Depositary using the Eligible Conversion Shares to settle any Conversion Shares Offer; (ii) irrevocably consented to the transfer of the interest such Noteholder has in the Eligible Conversion Shares (if any) to one or more purchasers identified by the Conversion Shares Depositary in connection with the Conversion Shares Offer; (iii) irrevocably agreed that the Issuer and the Conversion Shares Depositary may take any and all actions necessary to conduct the Conversion Shares Offer in accordance with the terms of the Notes; (iv) irrevocably waived any and all entitlement to Excess Amounts (if any) and

instructed that any such Excess Amounts be paid to the Issuer; and (v) irrevocably agreed that none of the Issuer, the Trustee or the Conversion Shares Depository shall, to the extent permitted by applicable law, incur any liability to the Noteholders in respect of the Conversion Shares Offer (except with respect to the Conversion Shares Depository for the obligations of the Conversion Shares Depository in respect of the Noteholders' entitlement to, and the subsequent delivery of, any Conversion Shares Offer Consideration).

- (viii) Any Conversion Shares Offer shall be made subject to applicable laws and regulations in effect at the relevant time and shall be conducted, if at all, only to the extent that the Issuer, in its sole and absolute discretion, determines that the Conversion Shares Offer is practicable. The purchasers of the Eligible Conversion Shares sold in any Conversion Shares Offer shall bear the costs and expenses of any Conversion Shares Offer (other than the taxes or duties and foreign exchange transaction costs referred to in Condition 6(q) and in the definition of "Conversion Shares Offer Consideration" as being payable by the Noteholders or the Issuer or deductible from the cash proceeds of the Conversion Shares Offer), including the fees of any Conversion Shares Offer Agent, if any. Neither the occurrence of a Trigger Event nor, following the occurrence of a Trigger Event, the election (if any) by the Issuer to undertake a Conversion Shares Offer on the terms set out herein, shall preclude the Issuer from undertaking a rights issue at any time on such terms as the Issuer deems appropriate, at its sole discretion (including, for the avoidance of doubt but without limitation, the offer of Ordinary Shares at or below the Conversion Shares Offer Price).
- (ix) The Trustee shall not be responsible or liable for monitoring any Conversion Shares Offer, nor for monitoring or enforcing the obligations of the Conversion Shares Depository in respect thereof. Following Conversion and delivery of the Conversion Shares to the Conversion Shares Depository, Noteholders must look to the Conversion Shares Depository for any Conversion Shares or Conversion Shares Offer Consideration due to them at the relevant time.
- (x) Nothing in this Condition 6(f) shall entitle the Issuer to elect that a Conversion Shares Offer be undertaken unless, at least 10 days (or such shorter period as the Relevant Regulator may accept) prior to making such election, the Issuer has delivered to the Relevant Regulator a properly reasoned, independent tax opinion from an appropriately qualified person, taking into account HM Revenue and Customs' precedent, statements and guidance, to the effect that, under the law applicable at the time of such election, the exercise of the Conversion Shares Offer should not, before the set-off of any prior year losses, be an action that would create a United Kingdom tax charge for the Issuer.

**(g) Eligible Conversion Shares**

On or prior to the Final Opt-Out Notice Delivery Date, each Noteholder shall be entitled to give notice to the Conversion Shares Depository in writing that it elects to retain its interest in the Conversion Shares to which it is entitled in respect of some or all of its Notes (any such Note being an "Opted-Out Note"), such that those Conversion Shares attributable to it in respect of such Opted-Out Note(s) are not eligible for inclusion in the Conversion Shares Offer (if any) (each such notice being an "Opt-Out Notice"), provided that:

- (i) where a Conversion Shares Settlement Notice has previously been delivered to the Conversion Shares Depository (together with the Certificate representing the relevant Note) in accordance with Condition 6(h) by a Noteholder in respect of any Note subsequently elected by such Noteholder to be an Opted-Out Note (whether or not such Conversion Shares Settlement Notice includes any other Note that is not an Opted-Out Note), such Opt-Out Notice shall be so delivered together with a copy of such Conversion Shares Settlement Notice previously delivered as aforesaid; and
- (ii) where a Conversion Shares Settlement Notice has not previously been delivered to the Conversion Shares Depository as aforesaid, the relevant Opt-Out Notice shall be required to be delivered simultaneously with a valid Conversion Shares Settlement Notice (together with the Certificate representing the relevant Note) in accordance with Condition 6(h) in respect of such Opted-Out Note (which Conversion Shares Settlement Notice may also include any other Note that is not an Opted-Out Note),

in each case failing which such Noteholder shall be treated as having not given an Opt-Out Notice.

Provided such Opt-Out Notice is received on or prior to the Final Opt-Out Notice Delivery Date, the Conversion Shares attributable to such Opted-Out Note(s) (rounded down, if necessary, to the nearest whole number of Conversion Shares in accordance with Condition 6(p)) shall not constitute Eligible Conversion Shares, and shall be delivered on the applicable Settlement Date.

If such Opt-Out Notice is delivered after the end of normal business hours at the specified office of the Conversion Shares Depository, such delivery shall be deemed for all purposes to have been made or given on the following Business Day.

If no Opt-Out Notice is received by the Conversion Shares Depository from a Noteholder on or prior to the Final Opt-Out Notice Delivery Date, such Noteholder shall be treated as having not given an Opt-Out Notice (and, if the Issuer elects to conduct a Conversion Shares Offer, the Conversion Shares attributable to the relevant Notes shall therefore constitute Eligible Conversion Shares).

**(h) Settlement Procedure**

- (i) To obtain delivery from the Conversion Shares Depository of Conversion Shares or, as applicable, the relevant Conversion Shares Offer Consideration, Noteholders will be required to deliver a Conversion Shares Settlement Notice and the Certificate representing the relevant Note to the Conversion Shares Depository (or an agent designated for the purpose in the Trigger Event Notice) on or before the Notice Cut-off Date (subject as provided in Condition 6(g) in the case of an Opted-Out Note).
- (ii) If such Conversion Shares Settlement Notice or Certificate is delivered after the end of normal business hours at the specified office of the Conversion Shares Depository, such delivery shall be deemed for all purposes to have been made or given on the following Business Day.
- (iii) If a Noteholder fails to deliver a Conversion Shares Settlement Notice or Certificate on or before the Notice Cut-off Date, or the relevant Conversion Shares Settlement Notice is otherwise determined by the Conversion Shares Depository to be null and void, then the Conversion Shares Depository shall continue to hold the relevant Conversion Shares or the relevant Conversion Shares Offer Consideration, as the case may be, on trust for that Noteholder until a valid Conversion Shares Settlement Notice (and the Certificate representing the relevant Notes) is so delivered. If any such Conversion Shares or the relevant Conversion Shares Offer Consideration (as applicable) have not been claimed for twelve (12) years after the Final Cancellation Date as aforesaid, the Issuer may, at any time after such time and in its sole and absolute discretion, instruct the Conversion Shares Depository (or an agent on its behalf) to sell for cash all or some of any such Conversion Shares or any Conversion Share component of any Conversion Shares Offer Consideration (as applicable) and any such cash proceeds from such sale(s) and any such cash component of any Conversion Shares Offer Consideration will, in each case, be forfeited and will be transferred to the Issuer for its own account unless the Issuer decides, in its sole and absolute discretion, otherwise and the Issuer will not be a trustee of any such cash and the Issuer shall have no liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares, the relevant Conversion Shares Offer Consideration or the cash proceeds from any such sale(s) as aforesaid (as applicable).
- (iv) Any determination as to whether any Conversion Shares Settlement Notice has been properly completed and delivered together with the relevant Certificate(s) as provided in these Conditions, or whether any evidence of entitlement to Conversion Shares or Conversion Shares Offer Consideration, as applicable, is satisfactory, shall be made by the Conversion Shares Depository in its sole and absolute discretion and shall be conclusive and binding on the relevant Noteholders.
- (v) Subject as otherwise provided herein, the relevant Conversion Shares (or the Conversion Shares component of any Conversion Shares Offer Consideration) will be delivered on the applicable Settlement Date by or on behalf of the Conversion Shares Depository in accordance with the instructions given in the relevant Conversion Shares Settlement Notice.
- (vi) Any cash component of any Conversion Shares Offer Consideration shall be paid by or on behalf of the Conversion Shares Depository on the applicable Settlement Date by transfer to an account in Sterling with a bank capable of processing payments in Sterling (as may be specified in the relevant Conversion Shares Settlement Notice) in accordance with the instructions contained in the relevant Conversion Shares Settlement Notice.
- (vii) If not previously cancelled on the applicable Settlement Date, the Notes shall be cancelled in full on the Final Cancellation Date and any Noteholder delivering a Conversion Shares Settlement Notice after the Notice Cut-off Date will have to provide evidence of its entitlement to the relevant Conversion Shares or the relevant Conversion Shares Offer Consideration, as applicable, satisfactory to the Conversion Shares Depository in its sole and absolute discretion in order to receive delivery of such Conversion Shares or such Conversion Shares Offer Consideration, as applicable. Neither the Issuer nor the Trustee shall have any liability to any Noteholder for any loss resulting from such Noteholder not receiving any Conversion Shares or the relevant Conversion Shares Offer Consideration, as applicable, or from any

delay in the receipt thereof, in each case as a result of such Noteholder failing to submit a valid Conversion Shares Settlement Notice and the relevant Certificate, on a timely basis or at all.

**(i) *Accrued Interest on Conversion***

Any interest in respect of an Interest Payment Date which falls on or after the date of a Trigger Event shall, without any action required on the part of the Issuer or any other person, be deemed to have been immediately, irrevocably and automatically cancelled, and the Issuer's obligation to pay such interest (if any) shall be immediately, irrevocably and permanently released, in full upon the occurrence of such Trigger Event and shall not thereafter be or become due and payable.

**(j) *Adjustment of Conversion Price***

Upon the happening of any of the events described below, the Conversion Price shall be adjusted by the Conversion Calculation Agent as follows:

- (i) If and whenever there shall be a consolidation, reclassification, re-designation or subdivision in relation to the Ordinary Shares which alters the number of Ordinary Shares in issue, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the date on which such consolidation, reclassification, re-designation or subdivision takes effect by the following fraction:

$A/B$

where:

**A** is the aggregate number of Ordinary Shares in issue immediately before such consolidation, reclassification, re-designation or subdivision, as the case may be; and

**B** is the aggregate number of Ordinary Shares in issue immediately after, and as a result of, such consolidation, reclassification, re-designation or subdivision, as the case may be.

Such adjustment shall become effective on the date the consolidation, reclassification, re-designation or subdivision, as the case may be, takes effect.

- (ii) If and whenever the Issuer shall issue any Ordinary Shares to Shareholders credited as fully paid by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) other than where such issue of Ordinary Shares is determined to be a Cash Dividend pursuant to paragraph (a) of the definition of "Dividend", the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the date on which such Ordinary Shares are issued by the following fraction:

$A/B$

where:

**A** is the aggregate number of Ordinary Shares in issue immediately before such issue; and

**B** is the aggregate number of Ordinary Shares in issue immediately after such issue.

Such adjustment shall become effective on the date of issue of such Ordinary Shares.

- (iii) If and whenever the Issuer shall declare, announce, make or pay any Capital Distribution, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$(A-B)/A$

where:

**A** is the Current Market Price of one (1) Ordinary Share on the Ex-Date in respect of such Capital Distribution; and

**B** is the portion of the Fair Market Value of the aggregate Capital Distribution attributable to one Ordinary Share, with such portion being determined by dividing the Fair Market Value of the aggregate Capital Distribution by the number of Ordinary Shares entitled to receive the relevant Capital Distribution (or, in the case of a purchase, redemption or buy back of Ordinary Shares or any depositary or other receipts or certificates representing Ordinary Shares by or on behalf of the Issuer or any Subsidiary of the Issuer, by the number of Ordinary Shares in issue immediately following such purchase, redemption or buy back, and treating as not being in issue any Ordinary Shares, or any Ordinary Shares represented by depositary or other receipts or certificates, purchased, redeemed or bought back).

Such adjustment shall become effective on the Effective Date.

**“Capital Distribution”** means:

- (a) any Cash Dividend which (or, in the case of a Cash Dividend pursuant to paragraph (a) of the definition of “Dividend”, any such Cash Dividend if such Cash Dividend or any of the relevant Dividend, capitalisation, issue or delivery of any property or assets referred to in such paragraph (a) of the definition of “Dividend” as aforesaid) is expressed by the Issuer or declared by the board of directors of the Issuer to be a capital distribution, extraordinary dividend, extraordinary distribution, special dividend, special distribution or return of value to Shareholders as a class or any analogous or similar term; or
- (b) any Non-Cash Dividend.

**“Cash Dividend”** means (i) any Dividend which is to be paid or made in cash (in whatever currency), other than a Dividend falling within paragraph (b) of the definition of “Spin-Off” and (ii) any Dividend determined to be a Cash Dividend pursuant to paragraph (a) of the definition of “Dividend”. For the avoidance of doubt, a Dividend falling within paragraph (c) or (d) of the definition of “Dividend” shall be treated as being a Non-Cash Dividend.

**“Dividend”** means any dividend or distribution to Shareholders as a class (including a Spin-Off) whether of cash, assets or other property, and however described and whether payable out of share premium account, profits, retained earnings or any other capital or revenue reserve or account, and including a distribution or payment to Shareholders upon or in connection with a reduction of capital (and for these purposes a distribution of assets includes, without limitation, an issue of Ordinary Shares or other Relevant Securities credited as fully or partly paid up by way of capitalisation of profits or reserves), provided that:

- (a) where:
  - (1) a Dividend in cash is announced which may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Ordinary Shares or other property or assets, or where an issue of Ordinary Shares or other property or assets to Shareholders by way of a capitalisation of profits or reserves (including any share premium account or capital redemption reserve) is announced which may at the election of a Shareholder or Shareholders be satisfied by the payment of cash, then the Dividend or capitalisation in question shall be treated as a Cash Dividend of an amount equal to the greater of (i) the Fair Market Value of such cash amount and (ii) the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such other property or assets, in any such case as at the Ex-Date in respect of the relevant Dividend or capitalisation (or, if later, the Dividend Determination Date), save that where a Dividend in cash is announced which may at the election of a Shareholder or Shareholders be satisfied by the issue or delivery of Ordinary Shares or an issue of Ordinary Shares to Shareholders by way of capitalisation of profits or reserves is announced which may at the election of a Shareholder or Shareholders be satisfied by the payment of cash where the number of Ordinary Shares which may be issued or delivered is to be determined at a date or during a period following the last day on which such election can be made as aforesaid and is to be determined by reference to a publicly available formula based on the closing price or volume weighted average price or any like or similar pricing benchmark of the Ordinary Shares, without factoring in any discount or premium to such price or benchmark, then such Dividend shall be treated as a Cash Dividend in an amount equal to the Fair Market Value of such cash amount on such date as such cash amount is determined as aforesaid; or
  - (2) there shall (other than in circumstances subject to proviso (1) above) (x) be any issue of Ordinary Shares or other property or assets to Shareholders by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) where such issue or delivery is or is expressed to be in lieu of a Dividend in cash (whether or not a cash Dividend equivalent amount is announced) or a Dividend in cash is announced that is to be satisfied by the issue or delivery of Ordinary Shares or other property or assets, or (y) any issue or delivery of Ordinary Shares or other property or assets by way of capitalisation of profits or reserves (including any share premium account or capital redemption reserve) that is to be satisfied by the payment of cash, then, in the case of (x) the capitalisation or Dividend in question shall be

treated as a Cash Dividend of an amount equal to the Current Market Price of such Ordinary Shares or, as the case may be, the Fair Market Value of such other property or assets as at the Ex-Date in respect of the relevant capitalisation (or, if later, the Dividend Determination Date), and, in the case of (y), the capitalisation in question shall be treated as a Cash Dividend of an amount equal to the Fair Market Value of such cash amount as at the Ex-Date in respect of the relevant capitalisation (or, if later, the Dividend Determination Date), save that where an issue of Ordinary Shares by way of capitalisation of profits or reserves is announced where such issue is or is expected to be in lieu of a Dividend in cash (in circumstances where the cash amount thereof is announced) or an issue of Ordinary Shares by way of capitalisation of profits or reserves is announced that is to be satisfied by the payment of cash where the number of Ordinary Shares to be issued or delivered or the amount of such payment of cash is to be determined at a date or during a period following such announcement and is to be determined by reference to a publicly available formula based on the closing price or volume weighted average price or any like or similar pricing benchmark of the Ordinary Shares, without factoring in any discount or premium to such price or benchmark, then such capitalisation shall be treated as a Cash Dividend in an amount equal to the Fair Market Value of such cash amount on such date as such cash amount is announced or determined as aforesaid;

- (b) any issue of Ordinary Shares falling within Condition 6(j)(i) or Condition 6(j)(ii) shall be disregarded;
- (c) (A) a purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer or any of its Subsidiaries in accordance with any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders and otherwise in accordance with the limitations prescribed under English law for dealings generally by a company in its own shares, and provided that the price paid for such share capital by or on behalf of the Issuer or any of its Subsidiaries shall be within price limits that apply to any safe harbour for share buy-backs by the Issuer under applicable insider trading and market manipulation rules, (including, without limitation, Commission Delegated Regulation (EU) 2016/1052 as it forms part of the domestic law of the United Kingdom) shall not constitute a Dividend; and (B) any other purchase or redemption or buy back of share capital of the Issuer by or on behalf of the Issuer shall not constitute a Dividend unless, in the case of a purchase or redemption or buy back of Ordinary Shares by or on behalf of the Issuer or any of its Subsidiaries pursuant to this limb (B), the weighted average price per Ordinary Share (before expenses) on any one date (a “**Specified Share Day**”) in respect of such purchase or redemption or buy back (translated, if not in the Relevant Currency, into the Relevant Currency at the Prevailing Rate on such day) exceeds by more than five (5) per cent. the Current Market Price of an Ordinary Share:
  - (1) on the Specified Share Day; or
  - (2) where an announcement (excluding, for the avoidance of doubt for these purposes, any general authority for such purchases, redemptions or buy backs approved by a general meeting of Shareholders or any notice convening such a meeting of Shareholders) has been made of the intention to purchase, redeem or buy back Ordinary Shares at some future date at a specified price or where a tender offer is made, on the date of such announcement or, as the case may be, on the date of first public announcement of such tender offer (and regardless of whether or not a price per Ordinary Share, a minimum price per Ordinary Share or a price range or a formula for the determination thereof is or is not announced at such time),

in which case such purchase, redemption or buy back shall be deemed to constitute a Dividend in the Relevant Currency in an amount equal to the amount by which the aggregate price paid (before expenses) in respect of such Ordinary Shares purchased, redeemed or bought back by or on behalf of the Issuer or, as the case may be, any of its Subsidiaries (translated where appropriate into the Relevant Currency as provided above) exceeds the product of (i) 105 per cent. of such Current Market Price and (ii) the number of Ordinary Shares so purchased, redeemed or bought back;

- (d) if the Issuer or any of its Subsidiaries (or any person on its or their behalf) shall purchase, redeem or buy back any depositary or other receipts or certificates representing Ordinary Shares, the provisions of paragraph (c) above shall be applied in respect thereof in such manner

and with such modifications (if any) as shall be determined in good faith by an Independent Adviser;

- (e) where a dividend or distribution is paid or made to Shareholders pursuant to any plan implemented by the Issuer for the purpose of enabling Shareholders to elect, or which may require Shareholders, to receive dividends or distributions in respect of the Ordinary Shares held by them from a person other than (or in addition to) the Issuer, such dividend or distribution shall for the purposes of these Conditions be treated as a dividend or distribution made or paid to Shareholders by the Issuer, and the foregoing provisions of this definition and the provisions of these Conditions shall be construed accordingly;
- (f) where a Dividend in cash is declared which provides for payment by the Issuer to Shareholders in the Relevant Currency or an amount in cash is or may be paid in the Relevant Currency, whether at the option of Shareholders or otherwise, it shall be treated as a Cash Dividend in the amount of such Relevant Currency or, as the case may be, an amount in such Relevant Currency, and in any other case it shall be treated as a Cash Dividend or, as the case may be, an amount in cash in the currency in which it is payable by the Issuer; and
- (g) a dividend or distribution that is a Spin-Off shall be deemed to be a Non-Cash Dividend paid or made by the Issuer, and any such determination shall be made in good faith by the Conversion Calculation Agent or where specifically provided, an Independent Adviser and, in either such case, on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit.

**“Dividend Determination Date”** means, for the purposes of the definition of “Dividend”, the date on which the number of Ordinary Shares or, as the case may be, amount of other property or assets, which may be issued or delivered is, or is capable of being, determined, and where determined by reference to prices or values or the like on or during a particular day or during a particular period, the Dividend Determination Date shall be deemed to be such day or the last day of such period, as the case may be.

**“Effective Date”** means, in respect of this Condition 6(j)(iii), the date which is the later of (i) the Ex-Date in respect of such Capital Distribution and (ii) the first date upon which the Fair Market Value of the relevant Capital Distribution can be determined as provided herein.

**“Ex-Date”** means, in relation to any Dividend (including without limitation any Spin-Off), capitalisation, redesignation, reclassification, sub-division, consolidation, issue, grant, offer or other entitlement, unless otherwise defined herein, the first dealing day on which the Ordinary Shares are traded ex- the relevant Dividend, capitalisation, redesignation, reclassification, sub-division, consolidation, issue, grant, offer or other entitlement on the Relevant Stock Exchange (or, in the case of a Dividend which is a purchase, redemption or buy back of Ordinary Shares (or, as the case may be, any depositary or other receipts or certificates representing Ordinary Shares) pursuant to paragraph (c) (or, as the case may be, paragraph (d)) of the definition of “Dividend”, the date on which such purchase, redemption or buy back is made).

**“Non-Cash Dividend”** means any Dividend which is not a Cash Dividend, and shall include a Spin-Off.

**“Spin-Off”** means:

- (a) a distribution of Spin-Off Securities by the Issuer to Shareholders as a class; or
- (b) any issue, transfer or delivery of any property or assets (including cash or shares or other securities of or in or issued or allotted) by any entity (other than the Issuer) to Shareholders as a class or, in the case of or in connection with a Scheme of Arrangement, Existing Shareholders as a class (but excluding the issue and allotment of ordinary shares (or depositary or other receipts or certificates representing such ordinary shares) by Newco to Existing Shareholders as a class), pursuant in each case to any arrangements with the Issuer or any of its Subsidiaries.

**“Spin-Off Securities”** means equity share capital of an entity other than the Issuer or options, warrants or other rights to subscribe for or purchase equity share capital of an entity other than the Issuer.

For the purposes of this Condition 6(j)(iii), Fair Market Value shall (subject as otherwise provided above or in paragraph (a) of the definition of “Dividend” or in the definition of “Fair Market Value”) be determined as at the Ex-Date in respect of the relevant Capital Distribution.

- (iv) If and whenever the Issuer shall issue Ordinary Shares to Shareholders as a class by way of rights, or the Issuer or any of its Subsidiaries or (at the direction or request or pursuant to arrangements with the



Issuer or any of its Subsidiaries) any other company, person or entity shall issue or grant to Shareholders as a class by way of rights, any options, warrants or other rights to subscribe for or purchase Ordinary Shares, or any Relevant Securities which by their terms of issue carry (directly or indirectly) rights of conversion into, or exchange or subscription for, any Ordinary Shares (or shall grant any such rights in respect of existing Relevant Securities so issued), in each case at a price per Ordinary Share which is less than 95 per cent. of the Current Market Price per Ordinary Share on the Effective Date, the Conversion Price shall be adjusted by multiplying the Conversion Price in force immediately prior to the Effective Date by the following fraction:

$$(A + B)/(A + C)$$

- A** is the number of Ordinary Shares in issue on the Effective Date;
- B** is the number of Ordinary Shares which the aggregate consideration (if any) receivable for the Ordinary Shares issued by way of rights, or for the Relevant Securities issued by way of rights, or for the options or warrants or other rights issued by way of rights and for the total number of Ordinary Shares deliverable on the exercise thereof, would purchase at such Current Market Price per Ordinary Share on the Effective Date; and
- C** is the number of Ordinary Shares to be issued or, as the case may be, the maximum number of Ordinary Shares which may be issued upon exercise of such options, warrants or other rights calculated as at the date of issue of such options, warrants or rights or upon conversion or exchange or exercise of rights of subscription or purchase in respect thereof at the initial conversion, exchange, subscription or purchase price or rate,

provided that if, on the Effective Date, such number of Ordinary Shares is to be determined by reference to the application of a formula or other variable feature or the occurrence of any event at some subsequent time, then for the purposes of this Condition 6(j)(iv), **C** shall be determined by the application of such formula or variable feature or as if the relevant event occurs or had occurred as at the Effective Date and as if such conversion, exchange, subscription, purchase or acquisition had taken place on the Effective Date.

Such adjustment shall become effective on the Effective Date.

“**Effective Date**” means, in respect of this Condition 6(j)(iv), the first date on which the Ordinary Shares are traded ex-rights, ex-options or ex-warrants on the Relevant Stock Exchange.

- (v) Notwithstanding the foregoing provisions, where the events or circumstances giving rise to any adjustment pursuant to this Condition 6(j) have already resulted or will result in an adjustment to the Conversion Price, or where the events or circumstances giving rise to any adjustment arise by virtue of any other events or circumstances which have already given or will give rise to an adjustment to the Conversion Price or where more than one event which gives rise to an adjustment to the Conversion Price occurs within such a short period of time that, in the opinion of the Issuer, a modification to the operation of the adjustment provisions is required to give the intended result:
- (A) such modification shall be made to the operation of the adjustment provisions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate to give the intended result; and
- (B) such modification shall be made to the operation of these Conditions as may be determined in good faith by an Independent Adviser to be in its opinion appropriate: (a) to ensure that an adjustment to the Conversion Price or the economic effect thereof shall not be taken into account more than once; (b) to ensure that the economic effect of any “Capital Distribution” is not taken into account more than once; and (c) to reflect a redenomination of the issued Ordinary Shares for the time being into a new currency.

For the avoidance of doubt, the issue of Ordinary Shares upon Conversion of the Notes or upon any conversion or exchange in respect of any other securities or the exercise of any other options, warrants or other rights shall not result in an adjustment to the Conversion Price.

**(k) *Determination of Consideration Receivable***

For the purpose of any calculation of the consideration receivable or price pursuant to Condition 6(j)(iv), the following provisions shall apply:

- (i) the aggregate consideration receivable or price for Ordinary Shares issued for cash shall be the amount of such cash;

- (ii)
  - (x) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the conversion or exchange of any Relevant Securities shall be deemed to be the consideration or price received or receivable for any such Relevant Securities; and
  - (y) the aggregate consideration receivable or price for Ordinary Shares to be issued or otherwise made available upon the exercise of rights of subscription attached to any Relevant Securities or upon the exercise of any options, warrants or other rights shall be deemed to be that part (which may be the whole) of the consideration or price received or receivable for such Relevant Securities or, as the case may be, for such options, warrants or other rights which are attributed by the Issuer to such rights of subscription or, as the case may be, such options, warrants or other rights or, if no part of such consideration or price is so attributed, the Fair Market Value of such rights of subscription or, as the case may be, such options, warrants or other rights as at the relevant Effective Date,

plus, in the case of each of (x) and (y) above, the additional minimum consideration receivable or price (if any) upon the conversion or exchange of such Relevant Securities, or upon the exercise of such rights of subscription attached thereto or, as the case may be, upon exercise of such options, warrants or other rights; and

  - (z) the consideration receivable or price per Ordinary Share upon the conversion or exchange of, or upon the exercise of such rights of subscription attached to, such Relevant Securities or, as the case may be, upon the exercise of such options, warrants or other rights shall be the aggregate consideration or price referred to in (x) or (y) above (as the case may be) divided by the number of Ordinary Shares to be issued upon such conversion or exchange or exercise at the initial conversion, exchange or subscription price or rate;- (iii) if the consideration or price determined pursuant to Condition 6(k)(i) or 6(k)(ii) (or any component thereof) shall be expressed in a currency other than the Relevant Currency, it shall be converted into the Relevant Currency at the Prevailing Rate on the relevant Effective Date;
- (iv) in determining the consideration or price pursuant to the above, no deduction shall be made for any commissions or fees (howsoever described) or any expenses paid or incurred for any underwriting, placing or management of the issue of the relevant Ordinary Shares or Relevant Securities or options, warrants or other rights, or otherwise in connection therewith; and
- (v) the consideration or price shall be determined as provided above on the basis of the consideration or price received, receivable, paid or payable, regardless of whether all or part thereof is received, receivable, paid or payable by or to the Issuer or another entity.

**(l) *Decision of the Conversion Calculation Agent or an Independent Adviser***

- (i) Adjustments to the Conversion Price shall be calculated by the Conversion Calculation Agent upon request from the Issuer and/or, to the extent so specified in the Conditions, in good faith by an Independent Adviser. Adjustments to the Conversion Price calculated by the Conversion Calculation Agent or, where applicable, an Independent Adviser and any other determinations made by the Conversion Calculation Agent or, where applicable, an Independent Adviser, or an opinion of an Independent Adviser, pursuant to these Conditions shall in each case be made in good faith and shall be final and binding (in the absence of manifest error) on the Issuer, the Trustee, the Noteholders, the Issuing, Paying and Conversion Agent, the Transfer Agents and (in the case of a determination by an Independent Adviser) the Conversion Calculation Agent. Subject to the provisions of the Conversion Calculation Agency Agreement, the Conversion Calculation Agent may consult on any matter (including, but not limited to, any legal matter), any legal or other professional adviser and it shall be able to rely upon, and it shall not be liable and shall incur no liability as against the Issuer, the Trustee, the Noteholders, the Issuing, Paying and Conversion Agent or the Transfer Agents in respect of anything done, or omitted to be done, relating to that matter in good faith in accordance with that adviser's opinion.
- (ii) The Conversion Calculation Agent shall act solely upon the request from, and exclusively as agent of, the Issuer. Neither the Conversion Calculation Agent (acting in such capacity) nor any Independent Adviser appointed in connection with the Notes (acting in such capacity) will thereby assume any obligations towards or relationship of agency or trust with, and shall not be liable and shall incur no liability in respect of anything done, or omitted to be done in good faith in connection with their appointment as Conversion Calculation Agent or, as the case may be, Independent Adviser, as against the Trustee, the Noteholders, the Issuing, Paying and Conversion Agent or the Transfer Agents.

- (iii) So long as any Notes remain outstanding, the Issuer will maintain a Conversion Calculation Agent, which may be the Issuer or another person appointed by the Issuer to serve in such capacity.
- (iv) The Issuer may at any time with the prior written approval of the Trustee, but without prior notice to or consent from the Issuing, Paying and Conversion Agent, the Transfer Agents, or the Noteholders, replace the Conversion Calculation Agent with itself or an independent financial institution or an independent financial adviser with appropriate expertise.
- (v) If any doubt shall arise as to whether an adjustment falls to be made to the Conversion Price or as to the appropriate adjustment to the Conversion Price, the Issuer may at its discretion appoint an Independent Adviser and, following consultation between the Issuer and such Independent Adviser, a written opinion of such Independent Adviser in respect thereof shall (save in the case of manifest error) be conclusive and binding on the Issuer, the Trustee, the Noteholders and all other interested parties.

**(m) Share Option Schemes**

No adjustment will be made to the Conversion Price where Ordinary Shares or other Relevant Securities (including rights, warrants and options) are issued, offered, exercised, allotted, purchased, appropriated, modified or granted to, or for the benefit of, employees or former employees (including directors holding or formerly holding executive office or the personal service company of any such person) or their spouses or relatives, in each case, of the Issuer or any of its Subsidiaries or any associated company or to a trustee or trustees to be held for the benefit of any such person, in any such case pursuant to any share or option scheme.

**(n) Rounding Down and Notice of Adjustment to the Conversion Price**

- (i) On any adjustment of the Conversion Price pursuant to these Conditions (including, for the avoidance of doubt, pursuant to Condition 6(o)), if the resultant Conversion Price is not an integral multiple of £0.0001, it shall be rounded down to the nearest such integral multiple of £0.0001. No adjustment shall be made to the Conversion Price where such adjustment (rounded down if applicable) would be less than one (1) per cent. of the Conversion Price then in effect. Any adjustment not required to be made, and/or any amount by which the Conversion Price has been rounded down, shall be carried forward and taken into account in any subsequent adjustment, and such subsequent adjustment shall be made on the basis that the adjustment not required to be made had been made at the relevant time and/or, as the case may be, that the relevant rounding down had not been made.
- (ii) The Conversion Price shall not in any event be reduced to below the nominal value of an Ordinary Share for the time being. The Issuer undertakes that it shall not take any action, and shall procure that no action is taken, that would otherwise result in an adjustment to the Conversion Price to below such nominal value.
- (iii) In the event the Conversion Price is required to be adjusted pursuant to this Condition 6, the Issuer shall deliver to the Trustee a certificate signed by two (2) Directors or other Authorised Signatories of the Issuer promptly after the occurrence of the event giving rise to such adjustment, setting forth, *inter alia*, a brief description of such event and (if then known) the adjusted Conversion Price and the date on which the adjustment takes effect (and if not then known, the Issuer shall deliver a further certificate signed by two (2) Directors or other Authorised Signatories of the Issuer to the Trustee specifying the same promptly following the determination thereof). Such event and adjustment to the Conversion Price shall be notified by the Issuer to the Issuing, Paying and Conversion Agent and, in accordance with Condition 17, to Noteholders promptly after delivery of the relevant certificate to the Trustee.

**(o) Change in Terms on Change of Control**

- (i) If a Qualifying Change of Control occurs, the Notes shall, where the Conversion Date (if any) falls on or after the New Conversion Condition Effective Date, be converted on such Conversion Date into Relevant Shares of the Approved Entity (save as provided below in this Condition 6(o)) at a Conversion Price that shall be the New Conversion Price, and the provisions of this Condition 6 shall apply *mutatis mutandis* to such conversion as though references herein to the Ordinary Shares comprising the Conversion Shares were instead to the Relevant Shares of the Approved Entity. Such conversion shall be effected by the delivery by the Issuer of such number of Ordinary Shares as is determined in accordance with Condition 6(b)(ii) to, or to the order of, the Approved Entity. Such delivery shall irrevocably release, discharge and satisfy all of the Issuer's obligations under the Notes (but shall be without prejudice to the rights of the Trustee and the Noteholders against the Approved Entity in connection with its undertaking to deliver Relevant Shares as provided in the definition of "New Conversion Condition" in Condition 6(o)(vi) below). Such delivery shall be in consideration of the Approved Entity irrevocably undertaking, for the benefit of the Noteholders, to deliver the Relevant Shares to the Conversion Shares Depositary as aforesaid. For the avoidance of doubt, the Issuer (or the

Approved Entity) may elect that a Conversion Shares Offer be made by the Conversion Shares Depository in respect of the Relevant Shares on terms *mutatis mutandis* as those applicable to Conversion Shares Offers of Conversion Shares (including, without limitation, the ability of Noteholders to opt out of the Conversion Shares Offer pursuant to Condition 6(g)).

- (ii) The New Conversion Price shall be subject to adjustment in the circumstances provided in this Condition 6 (with such modifications and amendments as an Independent Adviser acting in good faith shall determine to be appropriate) and the Issuer shall give notice to Noteholders of the New Conversion Price and of any such modifications and amendments in accordance with Condition 17, and to the Trustee and the Issuing, Paying and Conversion Agent in writing.
- (iii) In the case of a Qualifying Change of Control:
  - (A) the Issuer shall, on or prior to the New Conversion Condition Effective Date, enter into such agreements and arrangements, which may include deeds supplemental to the Trust Deed, and such amendments and modifications to the Trust Deed shall be made to ensure that, with effect from the New Conversion Condition Effective Date, the Notes shall (following the occurrence of a Trigger Event) be convertible into, or exchangeable for, Relevant Shares of the Approved Entity, *mutatis mutandis* in accordance with, and subject to, this Condition 6 (as may be so supplemented, amended or modified) at the New Conversion Price; and
  - (B) the Issuer shall, where the Conversion Date falls on or after the New Conversion Condition Effective Date, procure the issue and/or delivery of the relevant number of Relevant Shares in the manner provided in this Condition 6, as may be supplemented, amended or modified as provided above.

The Trustee shall be obliged (at the expense of the Issuer, and without the consent of the Noteholders) to concur with the Issuer in making any such amendments and modifications to the Trust Deed, and to execute any such deeds supplemental to the Trust Deed, provided that the Trustee shall not be bound to do so if any such amendments, modifications or deeds would, in the opinion of the Trustee, have the effect of: (i) exposing the Trustee to any liability against which it is not indemnified and/or secured and/or pre-funded to its satisfaction; (ii) changing, increasing or adding to the obligations or duties of the Trustee; or (iii) removing or amending any protection or indemnity afforded to, or any other provision in favour of, the Trustee under the Trust Deed, the Conditions and/or the Notes.

- (iv) If a Non-Qualifying Change of Control occurs then, with effect from the occurrence of such Non-Qualifying Change of Control and unless the Conversion Date shall have occurred prior to such date, the Notes shall not be subject to Conversion at any time notwithstanding the occurrence of a Trigger Event but, instead, upon the occurrence of a Trigger Event in such circumstances the full principal amount outstanding of each Note will automatically be written down to zero, each Note will be cancelled, the Noteholders will be automatically deemed to have irrevocably waived their right to receive, and no longer have any rights against the Issuer with respect to, repayment of the aggregate principal amount of the Notes written down pursuant to this Condition and all accrued but unpaid interest and any other amounts payable on each Note will be cancelled, irrespective of whether such amounts have become due and payable prior to the occurrence of a Trigger Event. For the avoidance of doubt, once the full principal amount outstanding of each Note has been written down, it will not be restored under any circumstances, including where the relevant Trigger Event has ceased to continue. For the avoidance of doubt, nothing in this Condition 6(o)(iv) shall affect or prejudice the payment of the costs, charges, expenses, liabilities or remuneration of the Trustee or the rights and remedies of the Trustee in respect thereof, and the Trustee shall not be liable to any person for acting in accordance with this Condition 6(o)(iv).
- (v) Following the occurrence of a Change of Control, the Issuer shall give notice thereof to the Noteholders (a “**Change of Control Notice**”) on or before the Final Change of Control Notice Delivery Date and in accordance with Condition 17.

The Change of Control Notice shall specify:

- (A) the identity of the Acquiror;
- (B) whether the Change of Control is a Qualifying Change of Control or a Non-Qualifying Change of Control;
- (C) in the case of a Qualifying Change of Control, the New Conversion Price;
- (D) in the case of a Non-Qualifying Change of Control, that, with effect from the occurrence of the Change of Control and unless a Trigger Event has occurred prior to the date of such

Change of Control and the Conversion Date in respect thereof shall have occurred prior to such date, outstanding Notes shall not be subject to Conversion at any time notwithstanding the occurrence of a Trigger Event but that, instead, upon the occurrence of a Trigger Event in such circumstances, the full principal amount of each Note will automatically and permanently be written down to zero, each Note will be cancelled, the Noteholders will be automatically deemed to have irrevocably waived their right to receive, and no longer have any rights against the Issuer with respect to, repayment of the aggregate principal amount of the Notes written down pursuant to this Condition 6(o) and all accrued but unpaid interest and any other amounts payable on each Note will be cancelled, irrespective of whether such amounts have become due and payable prior to the occurrence of the Trigger Event.

(vi) As used in this Condition 6(o):

“**Acquiror**” means the person which, following a Change of Control, controls the Issuer.

“**Approved Entity**” means a body corporate which, on the occurrence of the Change of Control, has in issue Relevant Shares.

a “**Change of Control**” shall occur if any person or persons acting in concert (as defined in the Takeover Code of the United Kingdom Panel on Takeovers and Mergers) acquires control of the Issuer (other than as a result of a Newco Scheme), where “**control**” means: (a) the acquisition or holding of legal or beneficial ownership of more than 50 per cent. of the issued Ordinary Shares of the Issuer; or (b) the right to appoint and/or remove all or the majority of the members of the board of directors of the Issuer, whether obtained directly or indirectly and whether obtained by ownership of share capital, contract or otherwise.

“**Change of Control Notice**” shall have the meaning given to such term in Condition 6(o)(v) above.

The “**New Conversion Condition**” shall be satisfied if by not later than seven (7) days following the occurrence of a Change of Control where the Acquiror is an Approved Entity, the Issuer shall have entered into arrangements to its satisfaction with the Approved Entity pursuant to which the Approved Entity irrevocably undertakes to the Trustee, for the benefit of the Noteholders, to deliver the Relevant Shares to the Conversion Shares Depository upon a Conversion of the Notes, all as contemplated in Condition 6(o)(i) above.

“**New Conversion Condition Effective Date**” means the date with effect from which the New Conversion Condition shall have been satisfied.

“**New Conversion Price**” means (subject to adjustment as provided below) the amount (rounded down to the nearest whole multiple of £0.0001) determined by the Conversion Calculation Agent in accordance with the following formula:

$$NCP = ECP \times \frac{VWAPRS}{VWAPOS}$$

where:

“**NCP**” is the New Conversion Price (subject to adjustment as provided in Condition 6(o)(ii)).

“**ECP**” is the Conversion Price in effect on the Dealing Day immediately prior to the New Conversion Condition Effective Date provided that for the purpose of this definition only, if in accordance with Condition 6(n)(i) any adjustment was not required to be made to the Conversion Price and/or the Conversion Price was rounded down in respect of an adjustment, the Conversion Price in effect immediately prior to the New Conversion Condition Effective Date shall be deemed to be the Conversion Price that would have been in effect at such time if such adjustment which was not made had actually been made at the relevant time and/or, as the case may be, if such rounding down had not been made.

“**VWAPRS**” means the average of the Volume Weighted Average Price of the Relevant Shares (translated, if necessary, into Sterling at the Prevailing Rate on the relevant Dealing Day) on each of the ten (10) Dealing Days ending on the Dealing Day prior to the date the Change of Control shall have occurred (and where references in the definition of “Volume Weighted Average Price” to “Ordinary Shares” shall be construed as a reference to the Relevant Shares and in the definition of “Dealing Day”, references to the “Relevant Stock

Exchange” shall be to the primary Regulated Market on which the Relevant Shares are then listed, admitted to trading or accepted for dealing).

“**VWAPOS**” is the average of the Volume Weighted Average Price of the Ordinary Shares (translated, if necessary, into Sterling at the Prevailing Rate on the relevant Dealing Day) on each of the ten (10) Dealing Days ending on the Dealing Day prior to the date the Change of Control shall have occurred.

“**Non-Qualifying Change of Control**” means a Change of Control that is not a Qualifying Change of Control.

“**Qualifying Change of Control**” means a Change of Control where:

- (a) the Acquiror is an Approved Entity; and
- (b) the New Conversion Condition is satisfied.

“**Relevant Shares**” means ordinary share capital of the Approved Entity that constitutes equity share capital or the equivalent (or depositary or other receipts representing the same) which is listed and admitted to trading on a Regulated Market.

**(p) Fractions**

Fractions of Ordinary Shares will not be delivered to the Conversion Shares Depositary on the Share Delivery Date or to Noteholders on the applicable Settlement Date and no cash payment will be made in lieu thereof. However, if one or more Certificates are delivered to the Conversion Shares Depositary pursuant to any one Conversion Shares Settlement Notice, the number of Ordinary Shares to be issued and delivered in respect thereof shall be calculated by the Conversion Calculation Agent on the basis of the aggregate principal amount of such Notes to be converted.

**(q) Taxes and Duties**

Neither the Issuer nor any member of the Group shall be liable for any taxes (including any capital, stamp, issue, registration, financial transaction, documentary or transfer taxes or duties) arising on, or as a result of, Conversion or that may arise or be paid as a consequence of the issue and delivery of Ordinary Shares on Conversion or their transfer in any Conversion Shares Offer. A Noteholder must pay any such taxes arising on Conversion in connection with the issue and delivery of the Conversion Shares whether to the Conversion Shares Depositary on behalf of such Noteholder or otherwise to or for the benefit of such Noteholder in accordance with Condition 6(e)(ii) and such Noteholder must pay all, if any, such taxes arising by reference to any disposal or deemed disposal of such Noteholder’s Notes or interest therein. Any capital, stamp, issue, registration, financial transaction, documentary or transfer taxes or duties arising on delivery or transfer of Conversion Shares to a purchaser in any Conversion Shares Offer shall be payable by the relevant purchaser of those Ordinary Shares.

**(r) Delivery**

- (i) Conversion Shares (or the Conversion Shares component of any Conversion Shares Offer Consideration) will be delivered to Noteholders in uncertificated form through the dematerialised securities trading system operated by Euroclear UK & Ireland Limited, known as CREST, unless at the relevant time the Conversion Shares are not a participating security in CREST, in which case Conversion Shares will be delivered either through the primary electronic trading system (if any) in which the Ordinary Shares are, at such time, traded or in certificated form. Where any Conversion Shares (or the Conversion Shares component of any Conversion Shares Offer Consideration) are to be delivered to Noteholders by the Conversion Shares Depositary through CREST or any other electronic trading system, they will be delivered to the account specified by the relevant Noteholder in the relevant Conversion Shares Settlement Notice, on the applicable Settlement Date. Where any Conversion Shares (or the Conversion Shares component of any Conversion Shares Offer Consideration) are to be delivered to Noteholders in certificated form, a certificate in respect thereof will be dispatched by mail free of charge to the relevant Noteholder or as it may direct in the relevant Conversion Shares Settlement Notice (in each case uninsured and at the risk of the relevant recipient) within twenty-eight (28) days following the date of the relevant Conversion Shares Settlement Notice.
- (ii) The Conversion Shares (or the Conversion Shares component of any Conversion Shares Offer Consideration) will not be available for issue or delivery (A) to, or to a nominee for, Euroclear Bank SA/NV or Clearstream Banking S.A. or any other person providing a clearance service within the meaning of Section 96 of the Finance Act 1986 of the United Kingdom or otherwise falling within Section 70 of that Act or (B) to a person, or nominee or agent for a person, whose business is or includes issuing depositary receipts within the meaning of Section 93 of the Finance Act 1986 of the United

Kingdom or otherwise falling within Section 67 of that Act, in any case where relevant prior to the “abolition day” as defined in Section 111(1) of the Finance Act 1990 of the United Kingdom or (C) to the CREST account of such a person described in (A) or (B).

**(s) Ordinary Shares**

The Conversion Shares issued and delivered on the Share Delivery Date will be fully paid and non-assessable and will in all respects rank *pari passu* with the fully paid Ordinary Shares in issue on the Share Delivery Date, except in any such case for any right excluded by mandatory provisions of applicable law, and except that any Conversion Shares so issued and delivered will not rank for (or, as the case may be, the relevant Noteholder shall not be entitled to receive) any rights, distributions or payments on the record date or other due date for the establishment of entitlement for which falls prior to the Share Delivery Date.

**(t) Purchase or Redemption of Ordinary Shares**

The Issuer or any Subsidiary of the Issuer may, subject to Condition 6(f)(iii), exercise such rights as it may from time to time enjoy to purchase or redeem or buy back any shares of the Issuer (including Ordinary Shares) or any depositary or other receipts or certificates representing the same without the consent of Noteholders.

**(u) Covenants**

Whilst any Note remains outstanding, the Issuer shall (if and to the extent permitted by the Relevant Rules from time to time and only to the extent that such covenant would not cause a Capital Disqualification Event to occur), save with the approval of an Extraordinary Resolution:

- (i) not make any issue, grant or distribution or take or omit to take any other action if the effect thereof would be that, on the Share Delivery Date, Ordinary Shares could not, under any applicable law then in effect, be legally issued as fully paid;
- (ii) in the event of a Newco Scheme, take (or shall procure that there is taken) all necessary action to ensure that the Newco Scheme is an Exempt Newco Scheme and that immediately after completion of the Scheme of Arrangement such amendments are made to these Conditions as are necessary to ensure that the Notes may, following the occurrence of a Trigger Event, be converted into or exchanged for ordinary shares or units or the equivalent in Newco *mutatis mutandis* in accordance with and subject to these Conditions.

The Trustee shall be obliged (at the expense of the Issuer, and without the consent of the Noteholders) to concur in effecting such amendments, provided that the Trustee shall not be bound so to concur if to do so would, in the opinion of the Trustee, have the effect of (A) exposing the Trustee to any liability against which it is not indemnified and/or secured and/or pre-funded to its satisfaction, (B) changing, increasing or adding to the obligations or duties of the Trustee, or (C) removing or amending any protection or indemnity afforded to, or any other provision in favour of, the Trustee under the Trust Deed, the Conditions and/or the Notes;
- (iii) in the event of a Change of Control where the Acquiror is an Approved Entity, use all reasonable endeavours to ensure that the New Conversion Condition is satisfied such that the Change of Control is a Qualifying Change of Control;
- (iv) use all reasonable endeavours to ensure that the Ordinary Shares delivered on the Share Delivery Date shall be admitted to listing and trading on the Relevant Stock Exchange;
- (v) notwithstanding the provisions of Condition 6(f), at all times keep available for issue or allotment, free from any pre-emptive or other preferential rights, sufficient Ordinary Shares to enable the issue of all Conversion Shares as would be necessary to satisfy in full the obligation of the Issuer to issue and deliver Conversion Shares following the occurrence of a Trigger Event; and
- (vi) where these Conditions require or provide for a determination by an Independent Adviser, the Issuer shall use all reasonable endeavours promptly to appoint an Independent Adviser for such purpose.

**7. Redemption, Substitution, Variation, Purchase and Options**

**(a) No Redemption Date**

The Notes are perpetual securities in respect of which there is no fixed redemption date and (without prejudice to the possible Conversion of the Notes in accordance with Condition 6) the Issuer shall only have the right to redeem or purchase the Notes in accordance with the following provisions of this Condition 7. The Notes are not redeemable at the option of the Noteholders at any time.

**(b) Conditions to Redemption, Substitution, Variation or Purchase**

To the extent required by the Relevant Regulator pursuant to the Relevant Rules at the relevant time, and save as otherwise permitted pursuant to Condition 7(c) (if applicable), the Issuer may not redeem or purchase any Notes at any time unless the following conditions are satisfied:

- (i) prior to any notice of redemption or any substitution, variation or purchase of the Notes, the Issuer will be required to have received permission, consent or due notification of non-objection in writing from the Relevant Regulator (and such permission, consent or non-objection not having been withdrawn) and such redemption, variation or purchase shall be otherwise permitted under the Relevant Rules applicable to it from time to time, and a certificate from any two (2) Directors or other Authorised Signatories of the Issuer confirming such compliance shall be conclusive evidence of such compliance, and may be accepted by the Trustee as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without liability to any person and without further enquiry;
- (ii) in the case of a redemption or purchase that is within five (5) years of the Issue Date of the Notes (or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 16 and consolidated to form a single series with the Notes, within five (5) years of the Issue Date of the latest such Tranche to be issued), such redemption or purchase shall, if required by the Relevant Regulator or the Relevant Rules at the relevant time:
  - (A) be funded out of the proceeds of a new issuance of, or the Notes being exchanged or converted into, Tier 1 Own Fund Items of the same or higher quality than the Notes and shall be otherwise permitted under the Relevant Rules; or
  - (B) in the case of any redemption or purchase pursuant to Condition 7(f) or 7(h), the Relevant Regulator, being satisfied that the Solvency Capital Requirement applicable to the Issuer will be exceeded by an appropriate margin immediately after such redemption or purchase (taking into account the solvency position of the Issuer and the Group, including by reference to the Issuer's and the Group's medium-term capital management plan); and
    - (x) in the case of any such redemption following the occurrence of a Tax Law Change, the Issuer having demonstrated to the satisfaction of the Relevant Regulator that the applicable change in tax treatment is material;
    - (y) in the case of any such redemption following the occurrence of a Capital Disqualification Event, the Relevant Regulator considering that the relevant change in the regulatory classification of the Notes is sufficiently certain; and

in either case, the Issuer having demonstrated to the satisfaction of the Relevant Regulator that such change was not reasonably foreseeable as at the Issue Date of the most recent Tranche;
- (iii) in respect of any redemption or purchase of the Notes occurring on or after the fifth anniversary of the Issue Date and before the tenth anniversary of the Issue Date (or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 16 and consolidated to form a single series with the Notes, within ten (10) years but occurring after the fifth anniversary of the Issue Date of the latest such Tranche to be issued) the Relevant Regulator has confirmed to the Issuer that it is satisfied that the Solvency Capital Requirement is exceeded by an appropriate margin (taking into account the solvency position of the Issuer and the Group, including by reference to the Issuer's and the Group's medium-term capital management plan) at the time of and immediately following such redemption or purchase unless such redemption or purchase is funded out of the proceeds of a new issuance of, or the Notes are exchanged into, Tier 1 Own Fund Items of the same or a higher quality than the Notes;
- (iv) the Solvency Condition is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Solvency Condition to be breached;
- (v) the Solvency Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Solvency Capital Requirement to be breached;
- (vi) the Minimum Capital Requirement is met immediately prior to the redemption or purchase of the Notes (as applicable) and the redemption or purchase (as applicable) would not cause the Minimum Capital Requirement to be breached;
- (vii) no Trigger Event has occurred (disregarding, for this purpose, any Trigger Event in respect of which the Relevant Regulator has permitted a waiver of Conversion as contemplated in Condition 6(d));
- (viii) no Insolvent Insurer Winding-up has occurred and is continuing; and/or



- (ix) any other additional or alternative requirements or pre-conditions to which the Issuer is otherwise subject and which may be imposed by the Relevant Regulator or the Relevant Rules have (in addition or in the alternative to the foregoing subparagraphs, as the case may be) been complied with (and shall continue to be complied with following the proposed redemption or purchase),

the conditions set out in paragraphs (i) to (ix) (inclusive) above (to the extent required pursuant to the Relevant Rules at the relevant time as aforesaid) being the “**Redemption and Purchase Conditions**”.

If, on the proposed date for redemption of the Notes, the Redemption and Purchase Conditions are not met, redemption of the Notes shall be suspended and such redemption shall occur only in accordance with Conditions 7(c) and 7(d) to the extent applicable. If, on the proposed date for any purchase of Notes pursuant to Condition 7(k), the Redemption and Purchase Conditions are not met, the purchase of the Notes shall instead be cancelled.

Notwithstanding the above requirements of this Condition 7(b), if, at the time of any redemption, variation or purchase, the Relevant Rules permit the redemption, variation or purchase only after compliance with one or more alternative or additional conditions to those set out above (if and to the extent required or applicable in order for the notes to qualify as Tier 1 Capital of the Issuer and/or the Group under the Relevant Rules from time to time), the Issuer shall comply with such alternative and/or additional condition(s) as are then so required (which shall be deemed to be the “Redemption and Purchase Conditions”).

**(c) Waiver of redemption and purchase conditions relating to Solvency Capital Requirement by the Relevant Regulator**

- (i) Notwithstanding Condition 7(b), the Issuer shall be entitled to redeem or purchase Notes (to the extent permitted by the Relevant Rules) where each of the following conditions (or such other conditions as may be imposed by the Relevant Rules at the relevant time) are met:
  - (A) all Redemption and Purchase Conditions are met, other than the condition described in paragraph (v) of Condition 7(b);
  - (B) the Relevant Regulator has provided its permission to the waiver of, or has otherwise waived, the cancellation or suspension of redemption or, as the case may be, purchase of the Notes and has provided the Issuer with written confirmation of the same (and such permission or waiver not having been withdrawn);
  - (C) all (but not some only) of the Notes being redeemed or purchased at such time are, or are to be, exchanged for a new issue of Tier 1 Own Fund Items of the same or higher quality than the Notes (which, for the avoidance of doubt, will include (without limitation and if then permitted by the Relevant Rules) a redemption or purchase funded out of the proceeds of one or more issues of Tier 1 Own Fund Items of the same or a higher quality than the Notes); and
  - (D) the Minimum Capital Requirement will be complied with immediately following such redemption or purchase, if made.
- (ii) A certificate signed by two (2) Directors or other Authorised Signatories of the Issuer confirming that the conditions set out in this Condition 7(c) (and/or, as the case may be, such other relevant conditions as are then imposed by the Relevant Rules) are met, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without liability to any person and without further enquiry.

**(d) Suspension of Redemption**

The Issuer shall notify the Trustee, the Issuing, Paying and Conversion Agent, the Registrar and, in accordance with Condition 17, the Noteholders no later than the Final Suspension of Redemption Notice Delivery Date if such redemption is to be suspended in accordance with Condition 7(b) (the “**Final Suspension of Redemption Notice**”), provided that if an event occurs or is determined following the Final Suspension of Redemption Notice Delivery Date that results in the Redemption and Purchase Conditions ceasing to be met, the Issuer shall notify the Trustee, the Issuing, Paying and Conversion Agent, the Registrar and, in accordance with Condition 17, the Noteholders as soon as reasonably practicable following the occurrence or determination (as the case may be) of such event.

If redemption of the Notes does not occur on the date specified in the notice of redemption by the Issuer under Condition 7 as a result of the operation of Condition 7(b) or such redemption otherwise cannot be effected in compliance with the Relevant Rules on such date, subject to Condition 3(b) and (if and to the extent required by the Relevant Regulator or the Relevant Rules at the relevant time) to the Issuer having received permission, consent or due notification of non-objection in writing from the Relevant Regulator (and the Relevant Regulator not having

withdrawn such permission, consent or non-objection), the Issuer shall redeem such Notes at their principal amount outstanding together with any accrued but unpaid interest (in each case, to the extent that such amounts have not been cancelled pursuant to these Conditions), upon the earlier of:

- (i) the Postponed Redemption Date (unless on such Postponed Redemption Date, the Redemption and Purchase Conditions are again not met or the redemption of the Notes on such date would result in the Redemption and Purchase Conditions ceasing to be met (in each case save for the requirement at sub-paragraph (v) of Condition 7(b) to the extent waived under Condition 7(c) (if applicable)), in which case the provisions of Condition 7(b) and this sub-paragraph (i) of this Condition 7(d) will apply *mutatis mutandis* to determine the rescheduled due date for redemption of the Notes); or
- (ii) the date on which an Issuer Winding-Up occurs (insofar as such Issuer Winding-Up occurs prior to the date on which a Trigger Event occurs, in respect of which the Relevant Regulator has not permitted the waiver of the automatic Conversion of the Notes as contemplated in Condition 6(d)).

On or prior to the Final Postponed Redemption Notice Delivery Date, the Issuer shall notify the Trustee, the Issuing, Paying and Conversion Agent, the Registrar and, in accordance with Condition 17, the Noteholders of any such date set for redemption pursuant to (i) or (if reasonably practicable in the circumstances) (ii) above.

A certificate signed by two (2) Directors or other Authorised Signatories of the Issuer confirming that: (i) the Redemption and Purchase Conditions are not met or would cease to be met if the proposed redemption or purchase were to be made; or (ii) the Redemption and Purchase Conditions are met and would continue to be met if the proposed redemption or purchase were to be made, shall, in the absence of manifest error, be treated and accepted by the Issuer, the Trustee, the Noteholders and all other interested parties as correct and sufficient evidence thereof and the Trustee shall be entitled to rely on such certificate without liability to any person and without further enquiry.

**(e) Suspension of Redemption and Cancellation of Purchases Not a Default**

Notwithstanding any other provision in these Conditions or in the Trust Deed, the suspension of redemption of the Notes and any cancellation of any purchases of any Notes in accordance with Condition 7(b) and Condition 7(d) shall not constitute a default or event of default on the part of the Issuer for any purpose and will not give Noteholders or the Trustee any right to accelerate repayment of the Notes or take any enforcement action under the Notes or the Trust Deed.

**(f) Redemption, Substitution or Variation Due to Taxation**

If immediately prior to the giving of the notice referred to below:

- (i) as a result of a change in or proposed change in, or amendment or proposed amendment to, the laws or regulations of the UK or any political subdivision or authority therein or thereof having the power to tax, including any treaty to which the UK is a party, or any change in the application of official or published interpretation of such laws or regulation, including a decision of any court or tribunal, or any interpretation or pronouncement by any relevant tax authority that provides for a position with respect to such laws or regulations that differs from the previously generally accepted position in relation to similar transactions (in respect of securities similar to the Notes and which are capable of constituting Tier 1 Capital) or which differs from any specific written confirmation given by a tax authority in respect of the Notes, which change or amendment becomes, or would become, effective, or in the case of a change or proposed change in law of the UK or any political subdivision or authority therein if such change is enacted (or, in the case of a proposed change, is expected to be enacted) by UK Act of Parliament or by Statutory Instrument, on or after the Issue Date of the Notes (or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 16 and consolidated to form a single series with the Notes, on or after the Issue Date of the latest such Tranche to be issued) (each a “**Tax Law Change**”), in making any payments on the Notes, the Issuer has paid or will or would on the next payment date be required to pay Additional Amounts (as defined in Condition 9) on the Notes and the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it; or
- (ii) as a result of a Tax Law Change in respect of the Issuer's obligation to make any payment of Interest on the next following Interest Payment Date: (w) the Issuer would not be entitled to claim a deduction in respect of computing its taxation liabilities in the UK, or such entitlement is or would be materially reduced; (x) the Issuer would not to any material extent be entitled to have such deduction set against the profits of companies with which it is grouped for applicable UK tax purposes (whether under the group relief system current as at the date of the Tax Law Change or any similar system or systems having like effect as may from time to time exist); (y) the Issuer would otherwise suffer material adverse tax consequences, or (z) the Issuer would be subject to a tax liability in the UK, or the receipt of income or profit would be subject to tax in the UK, if a Conversion or Trigger Event resulting in a Conversion were to occur, and in each such

case the Issuer cannot avoid the foregoing in connection with the Notes by taking measures reasonably available to it, then:

- (A) the Issuer may, subject to the Redemption and Purchase Conditions, and having given not less than fifteen (15) nor more than sixty (60) days' notice to the Trustee, the Issuing, Paying and Conversion Agent and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable), redeem in accordance with these Conditions at any time all, but not some only, of the Notes at their principal amount, together with any interest accrued but unpaid to (but excluding) the date of redemption in accordance with these Conditions (to the extent that such interest has not been cancelled in accordance with these Conditions); or
- (B) the Issuer may, subject to the Redemption and Purchase Conditions (without any requirement for the consent or approval of the Noteholders) and having given not less than fifteen (15) nor more than sixty (60) days' notice to the Trustee, the Issuing, Paying and Conversion Agent and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable), substitute at any time all (but not some only) of the Notes for, or vary the terms of the Notes so that they become or remain, Qualifying Securities and the Trustee shall (subject to the following provisions of this paragraph (B) and subject to the receipt by it of the certificates of the Directors or Authorised Signatories of the Issuer referred to below and in the definition of Qualifying Securities) agree to such substitution or variation whether or not such substitution or variation is prejudicial to the interests of the Noteholders. The Trustee shall use its reasonable endeavours to assist the Issuer in the substitution or variation of the Notes for or into Qualifying Securities provided that the Trustee shall not be obliged to participate or assist in any such substitution or variation of the terms of the securities into which the Notes are to be substituted or are to be varied if such substitution or variation imposes, in the Trustee's opinion, more onerous obligations upon it or exposes it to any additional duties, responsibilities or liabilities or reduces the rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed. If the Trustee does not so participate or assist as provided above, the Issuer may, subject as provided above, redeem the Notes as provided above.

Prior to the publication of any notice of substitution, variation or redemption pursuant to this Condition 7(f) the Issuer shall deliver to the Trustee a certificate signed by two (2) Directors or other Authorised Signatories of the Issuer stating that the relevant requirement or circumstance referred to in sub-paragraph (i) or (ii) above applies and the Trustee shall accept such certificate as sufficient evidence of the satisfaction of the conditions precedent set out in such paragraphs (without liability to any person and without further enquiry) in which event it shall be conclusive and binding on the Trustee and the Noteholders. Upon expiry of such notice the Issuer shall (subject as aforesaid) either redeem, vary or substitute the Notes, as the case may be.

In connection with any substitution or variation in accordance with this Condition 7(f), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or admitted to trading.

**(g) *Redemption at the Option of the Issuer***

Unless the Issuer shall have given notice to redeem the Notes under Condition 7(f), Condition 7(h) or Condition 7(i) on or prior to the expiration of the notice referred to below, the Issuer may at its option, subject to the Redemption and Purchase Conditions, and having given not less than fifteen (15) nor more than sixty (60) days' irrevocable notice to the Noteholders redeem all (but not some only) of the Notes on (i) any day falling in the period commencing on (and including) 30 September 2032 and ending on (and including) the First Reset Date or (ii) any Reset Date thereafter at their principal amount, together with any interest accrued but unpaid to (but excluding) the date of redemption in accordance with these Conditions (to the extent that such interest has not been cancelled in accordance with these Conditions).

All Notes in respect of which any such notice is given shall be redeemed, or the Issuer's option shall be exercised, on the date specified in such notice in accordance with this Condition.

**(h) *Redemption, Substitution or Variation at the Option of the Issuer due to Capital Disqualification Event***

If, within the period from and including the date of the occurrence of a Capital Disqualification Event to and including the date which is the first anniversary of such occurrence, the Issuer gives the notice referred to below and if on the date of such notice a Capital Disqualification Event is continuing, then:

- (i) the Issuer may, subject to the Redemption and Purchase Conditions and having given not less than fifteen (15) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 17, the Trustee and the Issuing, Paying and Conversion Agent (which notice shall be irrevocable), redeem in accordance with these Conditions all, but not some only, of the Notes at any time. The Notes will be redeemed at their

principal amount, together with any interest accrued but unpaid to (but excluding) the date of redemption in accordance with these Conditions (to the extent that such interest has not been cancelled in accordance with these Conditions); or

- (ii) the Issuer may, subject to the Redemption and Purchase Conditions (without any requirement for the consent or approval of the Noteholders) and having given not less than fifteen (15) nor more than sixty (60) days' notice to the Trustee, the Issuing, Paying and Conversion Agent and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable), substitute at any time all (and not some only) of the Notes for, or vary the terms of the Notes so that they become Qualifying Securities and the Trustee shall (subject to the following provisions of this paragraph (ii) and subject to the receipt by it of the certificates of the Directors or other Authorised Signatories of the Issuer referred to below and in the definition of Qualifying Securities) agree to such substitution or variation whether or not such substitution or variation is prejudicial to the interests of the Noteholders. The Trustee shall use its reasonable endeavours to assist the Issuer in the substitution or variation of the Notes for or into Qualifying Securities provided that the Trustee shall not be obliged to participate or assist in any such substitution or variation of the terms of the securities into which the Notes are to be substituted or are to be varied if such substitution or variation imposes, in the Trustee's opinion, more onerous obligations upon it or exposes it to any additional duties, responsibilities or liabilities or reduce rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed. If the Trustee does not so participate or assist as provided above, the Issuer may, subject as provided above, redeem the Notes as provided above.

Prior to the publication of any notice of substitution, variation or redemption pursuant to this Condition 7(h) the Issuer shall deliver to the Trustee a certificate signed by two (2) Directors or other Authorised Signatories of the Issuer stating that a Capital Disqualification Event has occurred and is continuing as at the date of the certificate, and the Trustee shall accept such certificate as sufficient evidence of the occurrence and continuation of a Capital Disqualification Event (without liability to any person and without further enquiry) in which event it shall be conclusive and binding on the Trustee and the Noteholders. Upon expiry of such notice the Issuer shall (subject as aforesaid) either redeem, vary or substitute the Notes, as the case may be.

In connection with any substitution or variation in accordance with this Condition 7(h), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or admitted to trading.

**(i) *Optional redemption for Rating Reasons***

If a Rating Methodology Event occurs and within the period from and including the date of the occurrence of such Rating Methodology Event to and including the date which is the first anniversary of such occurrence, the Issuer gives the notice referred to below and if on the date of such notice the Rating Methodology Event is continuing, then:

- (i) the Issuer may, subject to the Redemption and Purchase Conditions and, having given not less than fifteen (15) nor more than sixty (60) days' notice to the Noteholders in accordance with Condition 17, the Trustee and the Issuing, Paying and Conversion Agent (which notice shall be irrevocable), redeem in accordance with these Conditions all, but not some only, of the Notes at any time. The Notes will be redeemed at their principal amount, together with any interest accrued but unpaid to (but excluding) the date of redemption in accordance with these Conditions (to the extent that such interest has not been cancelled in accordance with these Conditions); or
- (ii) the Issuer may, subject to the Redemption and Purchase Conditions (without any requirement for the consent or approval of the Noteholders) and having given not less than fifteen (15) nor more than sixty (60) days' notice to the Trustee, the Issuing, Paying and Conversion Agent and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable), substitute at any time all (and not some only) of the Notes for, or vary the terms of the Notes so that they become Rating Agency Compliant Securities, and the Trustee shall (subject to the following provisions of this paragraph (ii) and subject to the receipt by it of certificates of Directors or Authorised Signatories of the Issuer referred to below and in the definition of Qualifying Securities and Rating Agency Compliant Securities) agree to such substitution or variation whether or not such variation or substitution is prejudicial to the interests of the Noteholders. The Trustee shall use its reasonable endeavours to assist the Issuer in the substitution or variation of the Notes for or into Rating Agency Compliant Securities provided that the Trustee shall not be obliged to participate or assist in any such substitution or variation of the terms of the securities into which the Notes are to be substituted or are to be varied if such substitution or variation imposes, in the Trustee's opinion, more onerous obligations upon it or exposes it to any additional duties, responsibilities or liabilities or reduce rights and/or the protective provisions afforded to the Trustee in these Conditions or the Trust Deed. If the Trustee does not so participate or assist as provided above, the Issuer may, subject as provided above, redeem the Notes as provided above.

Prior to the publication of any notice of substitution, variation or redemption pursuant to this Condition 7(i) the Issuer shall deliver to the Trustee a certificate signed by two (2) Directors or other Authorised Signatories of the Issuer stating that a Rating Methodology Event has occurred and is continuing as at the date of the certificate, and the Trustee shall accept such certificate as sufficient evidence of the occurrence and continuation of a Rating Methodology Event (without liability to any person and without further enquiry) in which event it shall be conclusive and binding on the Trustee and the Noteholders. Upon expiry of such notice the Issuer shall (subject as aforesaid) either redeem, vary or substitute the Notes, as the case may be.

In connection with any substitution or variation in accordance with this Condition 7(i), the Issuer shall comply with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or admitted to trading.

**(j) *Clean-up redemption at the option of the Issuer***

Subject to the Redemption and Purchase Conditions, if at any time after the Issue Date, 75 per cent. or more of the aggregate principal amount of the Notes originally issued (and, for these purposes, any further securities issued pursuant to Condition 16 will be deemed to have been originally issued) has been purchased and cancelled (or will, prior to any date fixed for redemption pursuant to this Condition 7(j), be purchased and cancelled), then the Issuer may, at its option (without any requirement for the consent or approval of the Noteholders), and having given not less than fifteen (15) nor more than sixty (60) days' notice to the Trustee, the Issuing, Paying and Conversion Agent, the Registrar and, in accordance with Condition 17, the Noteholders (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all (but not some only) of the Notes at any time at their principal amount, together with any accrued but unpaid interest to (but excluding) the date of redemption (to the extent that such interest has not been cancelled in accordance with these Conditions).

**(k) *Purchases***

Subject to the Redemption and Purchase Conditions, the Issuer and any of its Subsidiaries for the time being may, subject (if and to the extent required by the Relevant Regulator or the Relevant Rules at the relevant time) to the Issuer having received permission, consent or due notification of non-objection in writing from the Relevant Regulator (and the Relevant Regulator not having withdrawn such permission, consent or non-objection), at any time purchase Notes in the open market or otherwise and at any price.

**(l) *Cancellation***

All Notes purchased by or on behalf of the Issuer or any of its Subsidiaries may (at the option of the Issuer or the relevant Subsidiary) be held, reissued, resold or surrendered for cancellation by surrendering the Certificate representing such Notes to the Registrar and, if so surrendered, shall, together with all Notes redeemed by the Issuer, be cancelled forthwith. Any Notes so redeemed or surrendered for cancellation may not be reissued or resold and the obligations of the Issuer in respect of any such Notes shall be released and discharged.

**(m) *Trustee Not Obligated to Monitor***

The Trustee shall not be under any duty to monitor whether any event or circumstance has happened or exists within this Condition 7 and will not be responsible or liable to Noteholders for any loss arising from any failure by the Trustee to do so. Unless and until the Trustee has written notice of the occurrence of any event or circumstance within this Condition 7, it shall be entitled to assume that no such event or circumstance exists.

**(n) *Notices final***

Subject to and without prejudice to the Redemption and Purchase Conditions and Condition 7(d), any notice of redemption as is referred to in this Condition 7 shall, except in the circumstances described in the following paragraph of this Condition 7(n), be irrevocable and on the redemption, variation or (as the case may be) substitution date specified in such notice, the Issuer shall be bound to redeem or, as the case may be, vary or substitute the Notes in accordance with the terms of the relevant Condition.

The Issuer may not give a notice of redemption, substitution or variation of the Notes pursuant to this Condition 7 if a Trigger Event resulting in a Conversion of the Notes has occurred. If a Trigger Event occurs after a notice of redemption, substitution or variation has been given by the Issuer but before the relevant redemption, substitution or (as the case may be) variation date, such notice of redemption, substitution or variation (as applicable) shall automatically be revoked and be null and void and the relevant redemption, substitution or variation (as applicable) shall not be made or effected and the Notes shall be Converted in accordance with and subject to Condition 6.

**(o) *Inapplicability Period***

(i) Notwithstanding anything to the contrary in this Condition 7, the Issuer may waive, at any time, in its sole discretion and for whatever reason, its right to redeem, substitute, or vary the Conditions of, the Notes under any of Condition 7(f), 7(h), 7(i) or 7(j), in each case for a (definite or indefinite) period of time to be

determined by the Issuer (the “**Inapplicability Period**”) by notice to the Trustee, the Issuing, Paying and Conversion Agent, the Registrar and, in accordance with Condition 17, the Noteholders (an “**Inapplicability Notice**”).

- (ii) Any Inapplicability Notice shall specify the Inapplicability Period(s) during which the Issuer shall cease to have the right to redeem, substitute, or vary the Conditions of, the Notes under any of Condition 7(f), 7(h), 7(i) or 7(j).
- (iii) An ongoing Inapplicability Period may be terminated by the Issuer at any time and in its sole discretion by notice to the Trustee, the Issuing, Paying and Conversion Agent, the Registrar and, in accordance with Condition 17, the Noteholders.

## **8. Payments**

### **(a) Payments in respect of the Notes**

- (i) Payments of principal in respect of the Notes shall be made against presentation and surrender of the relevant Certificates at the specified office of any of the Transfer Agents or of the Registrar and in the manner provided in paragraph (ii) below.
- (ii) Interest on the Notes shall be paid to the person shown on the Register (i) where all or any of the Notes are represented by a Global Certificate, at the close of the business day (being for this purpose a day on which Euroclear and/or Clearstream, Luxembourg, as applicable, are open for business) before the due date for payment thereof, and (ii) where none of the Notes is represented by a Global Certificate at the close of business on the fifteenth day before the due date for payment thereof (the “**Record Date**”). Payments of principal and interest on each Note will be made by transfer to the registered account of the relevant Noteholder. For the purposes of this Condition 8(a), a Noteholder’s registered account means the Sterling account maintained by or on behalf of it with a bank that processes payments in Sterling, details of which appear on the Register at the close of business, in the case of principal, and of interest due at the time of redemption of the Notes, on the second business day before the due date for payment and, in the case of any other payment of interest, on the relevant Record Date.

### **(b) Payments subject to Fiscal Laws**

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives in any jurisdiction (whether by operation of law or agreement of the Issuer or its agents) and the Issuer will not be liable to pay any additional amount in respect of taxes or duties of whatever nature imposed or levied by or pursuant to such laws, regulations, directives or agreements, but without prejudice to the provisions of Condition 9. No commission or expenses shall be charged to the Noteholders in respect of such payments. For the purpose of this paragraph, the phrase “fiscal or other laws, regulations and directives” shall include any withholding or deduction imposed by sections 1471 through 1474 of the U.S. Internal Revenue Code of 1986, as amended (“**FATCA**”), any regulations thereunder, any law implementing an inter-governmental approach thereto, any agreement entered into pursuant to FATCA, or any official interpretation of FATCA.

### **(c) Appointment of Agents**

The Issuing, Paying and Conversion Agent, the Paying Agents, the Registrar, the Transfer Agents, the Calculation Agent and the Conversion Calculation Agent initially appointed by the Issuer and their respective specified offices are listed below. Subject as provided in the Agency Agreement, the Issuing, Paying and Conversion Agent, the Paying Agents, the Registrar, the Transfer Agents, the Calculation Agent and the Conversion Calculation Agent act solely as agents of the Issuer and do not assume any obligation or relationship of agency or trust for or with any Noteholder. The Issuer reserves the right at any time with the approval of the Trustee to vary or terminate the appointment of the Issuing, Paying and Conversion Agent, any other Paying Agent, the Registrar, any Transfer Agent, the Calculation Agent(s) or the Conversion Calculation Agent and to appoint additional or other Paying Agents or Transfer Agents, provided that the Issuer shall at all times maintain (i) an Issuing, Paying and Conversion Agent, (ii) a Registrar, (iii) a Transfer Agent, (iv) one or more Calculation Agent(s), (v) a Paying Agent, and (vi) a Conversion Calculation Agent having specified offices in London, so long as the Notes are admitted to trading on the International Securities Market of the London Stock Exchange and such other agents as may be required by any stock exchange on which the Notes may be listed from time to time.

Notice of any such change or any change of any specified office shall promptly be given to the Noteholders.

### **(d) Non-Business Days**

If any date for payment in respect of any Note is not a Business Day, the holder shall not be entitled to payment until the next following Business Day nor to any interest or other sum in respect of such postponed payment. In this paragraph, “**Business Day**” means a day (other than a Saturday or a Sunday) on which banks and foreign

exchange markets are open for business in London and in the relevant place of presentation and where payment is to be made by transfer to an account maintained with a bank in the relevant currency, on which foreign exchange transactions may be carried on in the relevant currency in the principal financial centre of the country of such currency.

## **9. Taxation**

All payments of principal, interest and any other amounts by or on behalf of the Issuer in respect of the Notes shall be made free and clear of, and without withholding or deduction for or on account of, any taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the UK or any authority therein or thereof having power to tax, unless such withholding or deduction is required by law. In that event, the Issuer shall pay such additional amounts (“**Additional Amounts**”) in respect of interest payments (but not in respect of any payments of principal or any other amounts) as may be necessary in order that the net amounts received by the Noteholders after the withholding or deduction shall equal the respective amounts which would have been received by them in respect of payments of interest had no such withholding or deduction been required by law to be made, except that no such Additional Amounts shall be payable with respect to any Note:

### **(a) Other connection**

presented for payment by or on behalf of a holder who is liable to such taxes, duties, assessments or governmental charges in respect of such Note by reason of his having some connection with the UK other than the mere holding of the Note; or

### **(b) Lawful avoidance of withholding**

presented for payment by or on behalf of, a holder who could lawfully avoid (but has not so avoided) such deduction or withholding by complying or procuring that any third party complies with any statutory requirements or by making or procuring that any third party makes a declaration of non-residence or other similar claim for exemption to any tax authority in the place where the relevant Note (or the Certificate representing it) is presented for payment; or

### **(c) Presentation more than thirty (30) days after the Relevant Date**

presented (or in respect of which the Certificate representing it is presented) for payment more than thirty (30) days after the Relevant Date (as defined below) except to the extent that the holder of it would have been entitled to Additional Amounts on presenting it for payment on the thirtieth day after the Relevant Date; or

### **(d) Any combination**

where such withholding or deduction arises out of any combination of paragraphs (a) to (c) above.

As used in these Conditions, “**Relevant Date**” in respect of any Note means the date on which payment in respect of it first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date seven (7) days after that on which notice is duly given to the Noteholders that, upon further presentation of the Note (or relevant Certificate) being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon such presentation. References in these Conditions to (i) “**principal**” shall be deemed to include any premium payable in respect of the Notes and (ii) “**interest**” shall be deemed to include any Additional Amounts that may be payable under this Condition or any undertaking given in addition to or in substitution for it under the Trust Deed.

Notwithstanding any other provision of these Conditions, in no event will the Issuer be required to pay any Additional Amounts in respect of the Notes for, or on account of, any withholding or deduction required pursuant to FATCA (including pursuant to any agreement described in Section 1471(b) of FATCA) or any law implementing an intergovernmental approach to FATCA, and any amounts to be paid by the Issuer in respect of the Notes will be paid net of any withholding or deduction required pursuant to FATCA.

## **10. Prescription**

Claims against the Issuer for payment in respect of the Notes shall be prescribed and become void unless made within ten (10) years (in the case of principal) or five (5) years (in the case of interest) from the appropriate Relevant Date in respect of them.

## **11. Events of Default and Enforcement**

### **(a) Rights to institute Issuer Winding-Up**

Notwithstanding any of the provisions below in this Condition 11, the right to institute winding-up proceedings by the Trustee on behalf of the Noteholders in respect of the Issuer is limited to circumstances where a payment

of principal in respect of the Notes by the Issuer under the Conditions or any provision of the Trust Deed has become due and is not duly paid. No amount shall be due from the Issuer in circumstances where payment of principal could not be made in compliance with the Solvency Condition, after a Trigger Event has occurred, where payment cannot be made in compliance with Condition 7(b) or where redemption is suspended pursuant to Condition 7(d).

If default is made for a period of 14 days or more in the payment of principal due in respect of the Notes or any of them, the Trustee may at its discretion institute proceedings for an Issuer Winding-Up and/or prove in the winding-up or administration of the Issuer and/or claim in the liquidation of the Issuer for such payment (such claim being as provided in, and subordinated in the manner described in, Condition 3(c) or 3(d) (as applicable)), but may take no further or other action to enforce, prove or claim for any such payment. No payment in respect of the Notes or the Trust Deed may be made by the Issuer pursuant to Condition 11(a), nor will the Trustee accept the same, otherwise than during or after a winding-up of the Issuer or after an administrator of the Issuer has given notice that it intends to declare and distribute a dividend, unless the Issuer has given prior written notice (with a copy to the Trustee) to the Relevant Regulator and (if and to the extent required by the Relevant Regulator or the Relevant Rules at the relevant time) received permission, consent or due notification of non-objection in writing from the Relevant Regulator (and the Relevant Regulator not having withdrawn such permission, consent or non-objection), which the Issuer shall confirm in writing to the Trustee.

**(b) *Enforcement***

Without prejudice to Condition 11(a) above, the Trustee may at its discretion and without further notice institute such steps, actions or proceedings against the Issuer as it may think fit to enforce any obligation, condition or provision binding on the Issuer under the Trust Deed or the Notes (other than any payment obligation of the Issuer under or arising from the Notes or the Trust Deed including, without limitation, payment of any principal, premium or interest in respect of the Notes and any damages awarded for breach of any obligations, but excluding any payments made to the Trustee acting on its own account under the Trust Deed in respect of its costs, expenses, liabilities and remuneration) and in no event shall the Issuer, by virtue of the institution of any such steps, actions or proceedings, be obliged to pay any sum or sums (in cash or otherwise) sooner than the same would otherwise have been payable by it. Nothing in this Condition 11(b) shall, subject to Condition 11(a), prevent the Trustee from pursuing the remedies to which it is entitled pursuant to Condition 11(a).

**(c) *Entitlement of the Trustee***

The Trustee shall not be bound to take any of the actions referred to in Condition 11(a) or (b) above to enforce the obligations of the Issuer under the Trust Deed or the Notes unless (i) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by the holders of at least one-quarter in principal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

**(d) *Right of Noteholders***

No Noteholder shall be entitled to proceed directly against the Issuer or to institute proceedings for the winding-up or claim in the liquidation of the Issuer or to prove in such winding-up unless the Trustee, having become so bound to proceed or being able to prove in such winding-up or claim in such winding-up, fails to do so within a reasonable period and such failure shall be continuing, in which case the Noteholder shall have only such rights against the Issuer as those which the Trustee is entitled to exercise as set out in this Condition 11.

**(e) *Extent of Noteholders' remedy***

No remedy against the Issuer, other than as referred to in this Condition 11, shall be available to the Trustee or the Noteholders, whether for the recovery of amounts owing in respect of the Notes or under the Trust Deed or in respect of any breach by the Issuer of any of its other obligations under or in respect of the Notes or under the Trust Deed.

**12. *Meetings of Noteholders, Modification, Waiver and Substitution***

**(a) *Meetings of Noteholders***

The Trust Deed contains provisions for convening meetings of Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution (as defined in the Trust Deed) of a modification of any of these Conditions or any provisions of the Trust Deed (except, for the avoidance of doubt, in respect of modifications to these Conditions or any provisions of the Trust Deed made pursuant to Condition 7). Such a meeting (which need not be a physical meeting and instead may be by way of conference call, including by use of a videoconference platform or a combination of such methods) may be convened by Noteholders holding not less than 10 per cent. in principal amount of the Notes for the time being outstanding. The quorum for any meeting convened to consider an Extraordinary Resolution shall be one or more persons holding or representing a clear



majority in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons holding or representing Noteholders whatever the principal amount of the Notes held or represented, unless the business of such meeting includes consideration of proposals which would involve the modification or abrogation of certain of the provisions of these Conditions and/or certain provisions of the Trust Deed (such provisions being set out in the Trust Deed), in which case the necessary quorum shall be one or more persons holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, in principal amount of the Notes for the time being outstanding. The agreement or approval of the Noteholders shall not be required in the case of any variation of these Conditions and/or the Trust Deed required to be made in the circumstances described in Condition 7(f) or 7(h) in connection with the substitution or variation of the Notes so that they remain or become Qualifying Securities or in the circumstances described in Condition 7(i) in connection with the substitution or variation of the Notes so that they become Rating Agency Compliant Securities, and to which the Trustee has agreed pursuant to the relevant provisions of Condition 7(f), (h) or (i), as the case may be. Any Extraordinary Resolution duly passed shall be binding on Noteholders (whether or not they were present at the meeting at which such resolution was passed).

**(b) *Modification of the Trust Deed***

The Trustee may agree, without the consent of the Noteholders, to (i) any modification of any of the provisions of the Trust Deed, the Agency Agreement or the Conversion Calculation Agency Agreement that is in the opinion of the Trustee of a formal, minor or technical nature or is made to correct a manifest error, and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of these Conditions and the provisions of the Trust Deed, the Agency Agreement or the Conversion Calculation Agent Agreement that is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders.

Any such modification, authorisation or waiver shall be binding on the Noteholders and, if the Trustee so requires, such modification shall be notified to the Noteholders as soon as practicable.

**(c) *Notice to Relevant Regulator***

No modification to these Conditions or any other provisions of the Trust Deed shall become effective unless the Issuer shall have given at least one (1) month's prior written notice to, and received no objection (and no revocation of any such non-objection) from, the Relevant Regulator (or such other period of notice as the Relevant Regulator may from time to time require or accept and, in any event, provided that there is a requirement to give such notice).

**(d) *Substitution***

The Trustee, if it is satisfied that so to do would not be materially prejudicial to the interests of the Noteholders, may agree with the Issuer, without the consent of the Noteholders, to the substitution on a subordinated basis equivalent to that referred to in Condition 3 of any person or persons incorporated in any country in the world (other than the U.S.) (the "**Substitute Obligor**") in place of the Issuer (or any previous Substitute Obligor under this Condition) as a new principal debtor under the Trust Deed and the Notes provided that:

- (i) a trust deed is executed or some other form of undertaking is given by the Substitute Obligor in form and manner satisfactory to the Trustee, agreeing to be bound by the terms of the Trust Deed and the Notes, with any consequential amendments which the Trustee may deem appropriate, as fully as if the Substitute Obligor had been named in the Trust Deed and on the Notes as the principal debtor in place of the Issuer (or of any previous Substitute Obligor, as the case may be);
- (ii) (unless the successor in business of the Issuer is the Substitute Obligor) the obligations of the Substitute Obligor under the Trust Deed and the Notes are guaranteed by the Issuer (or the successor in business of the Issuer) on a subordinated basis equivalent to that referred to in Condition 3 and in the Trust Deed and in a form and manner satisfactory to the Trustee;
- (iii) if the directors of the Substitute Obligor or other officers acceptable to the Trustee shall certify that the Substitute Obligor is solvent at the time at which the said substitution is proposed to be effected, the Trustee may rely absolutely on such certification and shall not be bound to have regard to the financial condition, profits or prospects of the Substitute Obligor or to compare the same with those of the Issuer;
- (iv) (without prejudice to the rights of reliance of the Trustee under sub-paragraph (iii) above) the Trustee is satisfied that the said substitution is not materially prejudicial to the interests of the Noteholders;
- (v) (without prejudice to the generality of sub-paragraph (i) above) the Trustee may in the event of such substitution agree, without the consent of the Noteholders, to a change in the law governing the Trust Deed and/or the Notes, provided that such change would not in the opinion of the Trustee be materially prejudicial to the interests of the Noteholders;

- (vi) the provisions of Condition 6 and the effect thereof, including (without limitation) the rights of Noteholders to receive Ordinary Shares (or, as the case may be, the relevant Conversion Shares Offer Consideration) following the occurrence of a Trigger Event, are preserved in all material respects (but without prejudice to the provisions of Condition 6(o));
- (vi) if the Substitute Obligor is, or becomes, subject generally to the taxing jurisdiction of a territory or any authority of or in that territory with power to tax (the “**Substituted Territory**”) other than the territory of the taxing jurisdiction of which (or to any such authority of or in which) the Issuer is subject generally (the “**Issuer's Territory**”), the Substitute Obligor will (unless the Trustee otherwise agrees) give to the Trustee an undertaking satisfactory to the Trustee in terms corresponding to Condition 9 with the substitution for the references in that Condition and in Condition 7(f) to the Issuer's Territory of references to the Substituted Territory whereupon the Trust Deed and the Notes will be read accordingly; and
- (vii) the Issuer and the Substitute Obligor comply with such other requirements as are reasonable in the interests of the Noteholders, as the Trustee may direct.

In connection with any proposed substitution as aforesaid, the Trustee shall have regard to the interests of the Noteholders as a class and the Trustee shall not have regard to the consequences of such substitution or such exercise for individual Noteholders resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory. In connection with any substitution or such exercise as aforesaid, no Noteholder shall be entitled to claim, whether from the Issuer, the Substitute Obligor or the Trustee or any other person, any indemnification or payment in respect of any tax consequence of any such substitution or any such exercise upon any individual Noteholders except to the extent already provided in Condition 9 and/or any undertaking given in addition thereto or in substitution therefor pursuant to the Trust Deed.

Any substitution pursuant to this Condition 12 shall: (i) so long as the Notes are recognised as Tier 1 Capital for the purposes of the Issuer or the Group and to the extent then required by the Relevant Rules, not occur prior to the tenth anniversary of the Issue Date (or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 16 and consolidated to form a single series with the Notes, within ten (10) years of the Issue Date of the latest such Tranche to be issued); and (ii) be subject to any notifications to, or permission, consent or provision of non-objection from, the Relevant Regulator and the Relevant Regulator not having withdrawn its permission, consent or non-objection, to such act (in any case only if and to the extent then required by the Relevant Regulator or the Relevant Rules).

### **13. Entitlement of the Trustee**

In connection with the exercise of its functions (including but not limited to those referred to in Condition 12) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders and the Trustee shall not be entitled to require, nor shall any Noteholder be entitled to claim, from the Issuer any indemnification or payment in respect of any tax consequence of any such exercise upon individual Noteholders.

### **14. Indemnification of the Trustee**

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking any action unless indemnified and/or secured and/or prefunded to its satisfaction. The Trustee is entitled to enter into business transactions with the Issuer and any entity related to the Issuer without accounting for any profit.

### **15. Replacement of Notes and Certificates**

If a Note or Certificate is lost, stolen, mutilated, defaced or destroyed, it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations, at the specified office of the Registrar or such other Paying Agent or Transfer Agent, as the case may be, as may from time to time be designated by the Issuer for the purpose and notice of whose designation is given to Noteholders, in each case on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, security and indemnity (which may provide, inter alia, that if the allegedly lost, stolen or destroyed Note or Certificate subsequently presented for payment there shall be paid to the Issuer on demand the amount payable by the Issuer in respect of such Notes or Certificates) and otherwise as the Issuer may require. Mutilated or defaced Notes or Certificates must be surrendered before replacements will be issued.

### **16. Further Issues**

The Issuer may from time to time without the consent of the Noteholders create and issue further securities either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding securities of any

series (including the Notes) or upon such terms as the Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other securities issued pursuant to this Condition and forming a single series with the Notes. Any further securities forming a single series with the outstanding securities of any series (including the Notes) constituted by the Trust Deed or any deed supplemental to it shall, and any other securities may (with the consent of the Trustee), be constituted by a deed supplemental to the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of securities of other series where the Trustee so decides.

#### **17. Notices**

Notices to the Noteholders shall be mailed to them at their respective addresses in the Register and deemed to have been given on the fourth weekday (being a day other than a Saturday or a Sunday) after the date of mailing.

#### **18. Contracts (Rights of Third Parties) Act 1999**

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act 1999.

#### **19. Definitions**

As used herein:

“**Additional Amounts**” has the meaning given to it in Condition 9;

“**Additional Ordinary Shares**” has the meaning given to such term in Condition 6(b)(vii);

“**Approved Winding-up**” means a solvent winding-up of the Issuer solely for the purpose of a reconstruction or amalgamation or the substitution in place of the Issuer of a successor in business of the Issuer the terms of which reconstruction, amalgamation or substitution: (i) have previously been approved in writing by the Trustee or by an Extraordinary Resolution; and (ii) do not provide that the Notes or any amount in respect thereof shall thereby become payable;

“**Assets**” means the unconsolidated gross assets of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for subsequent events, all in such manner as the Directors may determine;

“**Authorised Signatory**” has the meaning given to such term in the Trust Deed;

“**Capital Disqualification Event**” is deemed to have occurred if as a result of any replacement or change to (or change to the interpretation by any court or authority entitled to do so of) the Relevant Rules, the whole or any part of the principal amount of the Notes is no longer capable of counting as Tier 1 Capital for the purposes of the Issuer or the Group, whether on a solo, group or consolidated basis, except (in either case) where such non-qualification is only as a result of any applicable limitation on the amount of such capital;

“**Clean-Up Event**” means an event of the type described in Condition 7(j);

“**Conversion**” means the conversion of the Notes into Ordinary Shares pursuant to Condition 6, and “**convert**” and “**converted**” shall be construed accordingly;

“**Conversion Date**” has the meaning given to such term in Condition 6(c)(ii);

“**Conversion Price**” has the meaning given to such term in Condition 6(b)(ii);

“**Conversion Shares**” means the Ordinary Shares (including any Additional Ordinary Shares) to be issued and delivered to the Conversion Shares Depositary (or to the relevant recipient in accordance with these Conditions) by the Issuer on the Share Delivery Date on and subject to the terms set out in Condition 6;

“**Conversion Shares Depositary**” means a reputable financial institution, trust company or similar entity (which in each such case is wholly independent of the Issuer) to be appointed by the Issuer on or prior to any date when a function ascribed to the Conversion Shares Depositary in these Conditions is required to be performed to perform such functions and that will hold the Conversion Shares (and any Conversion Shares Offer Consideration) on trust for the Noteholders of the Notes in one or more segregated accounts, unless otherwise required to be transferred out of such accounts for the purposes of the Conversion Shares Offer, and otherwise on terms consistent with these Conditions;

“**Conversion Shares Offer**” has the meaning given to such term in Condition 6(f)(i);

“**Conversion Shares Offer Agent**” means the agent(s), if any, to be appointed on behalf of the Conversion Shares Depositary by the Issuer, in its sole and absolute discretion, to act as placement or other agent of the Conversion Shares Depositary to facilitate a Conversion Shares Offer;

“**Conversion Shares Offer Consideration**” means, as determined by the Conversion Calculation Agent, in respect of each Calculation Amount of Notes (other than any Opted-Out Note):

- (i) if all of the Eligible Conversion Shares are sold in the Conversion Shares Offer, the *pro rata* share of the cash proceeds from the sale of such Eligible Conversion Shares attributable to each Calculation Amount converted, if necessary, into Sterling at the Prevailing Rate on the last day of the Conversion Shares Offer Period (less any foreign exchange transaction costs), and rounded to the nearest whole multiple of £0.01, with £0.005 rounded upwards;
- (ii) if some but not all of such Eligible Conversion Shares are sold in the Conversion Shares Offer:
  - (A) the *pro rata* share of the cash proceeds from the sale of such Eligible Conversion Shares attributable to each Calculation Amount translated, if necessary, into Sterling at the Prevailing Rate on the last day of the Conversion Shares Offer Period (less any foreign exchange transaction costs), and rounded to the nearest whole multiple of £0.01, with £0.005 rounded upwards; and
  - (B) the *pro rata* share of such number of Eligible Conversion Shares not sold pursuant to the Conversion Shares Offer attributable to each Calculation Amount (for the purposes of this paragraph (ii)(B), without rounding (but without prejudice to subsequent rounding under Condition 6(p)); and
- (iii) if no Eligible Conversion Shares are sold in a Conversion Shares Offer, the relevant number of Eligible Conversion Shares attributable to each Calculation Amount (for the purposes of this paragraph (iii), without rounding (but without prejudice to subsequent rounding under Condition 6(p)),

subject, in the case of paragraphs (i) and (ii)(A) above, to deduction from any such cash proceeds of an amount equal to the *pro rata* share of any stamp duty, stamp duty reserve tax, or any other capital, issue, transfer, registration, financial transaction or documentary tax or duty that may arise or be paid as a consequence of the transfer of (or any agreement to transfer) any interest in such Eligible Conversion Shares to the Conversion Shares Depository (or Conversion Shares Offer Agent(s) (if any)) as a consequence of the Conversion Shares Offer (but excluding, for the avoidance of doubt, any costs and expenses borne by the purchasers of the Eligible Conversion Shares in the Conversion Shares Offer pursuant to Condition 6(f)(viii)); provided that if the cash component (if any) of the Conversion Shares Offer Consideration in respect of each Calculation Amount determined in accordance with the foregoing (after the deductions referred to in the immediately preceding paragraph) would exceed the product of (a) the Calculation Amount and (b) the proportion (expressed as a percentage) of the Eligible Conversion Shares sold in the Conversion Shares Offer (such excess, the “**Excess Amount**”), the Excess Amount shall not form part of the Conversion Shares Offer Consideration, and shall instead be payable to the Issuer as provided in Condition 6(f)(v);

“**Conversion Shares Offer Floor Price**” means the price per Conversion Share specified as such in the Conversion Shares Offer Notice. The Conversion Shares Offer Floor Price to be so specified shall be:

- (i) if the Ordinary Shares are then admitted to trading on a Relevant Stock Exchange, the Current Market Price as at the Conversion Date; or
- (ii) if the Ordinary Shares are not then admitted to trading on a Relevant Stock Exchange, the Fair Market Value of a Conversion Share as at the Conversion Date,

in each case if necessary (i) translated into Sterling at the Prevailing Rate on the Conversion Date and (ii) rounded to the nearest integral multiple of £0.0001, with £0.00005 rounded upwards;

“**Conversion Shares Offer Notice**” has the meaning given to such term in Condition 6(f)(ii);

“**Conversion Shares Offer Period**” has the meaning given to such term in Condition 6(f)(iv);

“**Conversion Shares Offer Period End Date**” means the date that is forty (40) Business Days following the delivery of the Conversion Shares Offer Notice by the Issuer;

“**Conversion Shares Offer Period Start Date**” means the date that is ten (10) Business Days following the delivery of the Conversion Shares Offer Notice by the Issuer;

“**Conversion Shares Offer Price**” has the meaning given to such term in Condition 6(f)(i);

“**Conversion Shares Settlement Notice**” means a notice in the form for the time being currently available from the specified office of the Issuing, Paying and Conversion Agent and which is required to be delivered to the Conversion Shares Depository (or its agent(s) designated for the purpose in the Trigger Event Notice) in connection with a Conversion of the Notes;

“**Current Market Price**” means, in respect of an Ordinary Share at a particular date, the average of the daily Volume Weighted Average Prices of an Ordinary Share on each of the five (5) consecutive Dealing Days ending on the Dealing Day immediately preceding such date, provided that:

- (a) for the purposes of Condition 6(j)(iv), if at any time during the said five (5) dealing-day period the Volume Weighted Average Price shall have been based on a price ex-dividend (or ex- any other entitlement) and during

some other part of that period the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum- any other entitlement), then:

- (i) if the Ordinary Shares to be issued and delivered do not rank for the dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price cum- such dividend (or cum- such any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the Ex-Date in respect of such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit; or
  - (ii) if the Ordinary Shares to be issued and delivered do rank for the dividend (or entitlement) in question, the Volume Weighted Average Price on the dates on which the Ordinary Shares shall have been based on a price ex-dividend (or ex-any other entitlement) shall, for the purposes of this definition, be deemed to be the amount thereof increased by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the Ex-Date in respect of such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;
- (b) for the purposes of Condition 6(j)(iv), if on each of the said five (5) Dealing Days the Volume Weighted Average Price shall have been based on a price cum-dividend (or cum- any other entitlement) in respect of a dividend (or other entitlement) which has been declared or announced but the Ordinary Shares to be issued and delivered do not rank for that dividend (or other entitlement), the Volume Weighted Average Price on each of such dates shall, for the purposes of this definition, be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such dividend or entitlement per Ordinary Share as at the date of first public announcement of the terms such dividend or entitlement, in any such case, determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;
- (c) for the purposes of any calculation or determination required to be made pursuant to paragraphs (a)(1) or (a)(2) of the definition of “Dividend”, if on any of the said five (5) dealing days the Volume Weighted Average Price shall have been based on a price cum- the relevant Dividend or capitalisation giving rise to the requirement to make such calculation or determination, the Volume Weighted Average Price on any such dealing day shall for the purposes of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of the relevant Cash Dividend;
- (d) for any other purpose, if any day during the said five (5) dealing-day period was the Ex-Date in relation to any Dividend (or any other entitlement) the Volume Weighted Average Prices that shall have been based on a price cum- such Dividend (or cum- such entitlement) shall for the purpose of this definition be deemed to be the amount thereof reduced by an amount equal to the Fair Market Value of any such Dividend or entitlement per Ordinary Share as at the Ex-Date in respect of such Dividend or entitlement; and
- (e) if the Volume Weighted Average Price of an Ordinary Share is not available on one or more of the said five (5) Dealing Days (disregarding for this purpose the proviso to the definition of Volume Weighted Average Price), then the average of such Volume Weighted Average Prices which are available in that five (5) Dealing Day period shall be used (subject to a minimum of two (2) such prices) and if only one, or no, such Volume Weighted Average Price is available in the relevant period, the Current Market Price shall be determined in good faith by an Independent Adviser;

**“Dealing Day”** means, in respect of the Ordinary Shares, Relevant Securities, Relevant Shares, options, warrants or other rights (as the case may be), a day on which the Relevant Stock Exchange in respect thereof is open for business and on which such Ordinary Shares, Relevant Securities, Relevant Shares, options, warrants or other rights (as the case may be) may be dealt in (other than a day on which the Relevant Stock Exchange is scheduled to or does close prior to its regular weekday closing time), provided that, unless otherwise specified or the context otherwise requires, references to “Dealing Day” shall mean a Dealing Day in respect of the Ordinary Shares (or, if the Ordinary Shares are not then admitted to trading on a Relevant Stock Exchange, references to “Dealing Day” shall mean a day on which the stock exchange or securities market which most recently constituted the Relevant Stock Exchange in respect of Ordinary Shares is open for business (other than a day on which such stock exchange or securities market is scheduled to or does close prior to its regular weekday closing time));

**“Directors”** means the directors of the Issuer;

**“Distributable Items”** means, subject as otherwise defined from time to time in the Relevant Rules, with respect to and as at any Interest Payment Date, without double-counting, an amount equal to:

- (i) the Distributable Profits of the Issuer, calculated on an unconsolidated basis, as at the last day of the then most recently ended financial year of the Issuer; plus
- (ii) the interim retained earnings (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date; less
- (iii) the interim net loss (if any) of the Issuer, calculated on an unconsolidated basis, for the period from the Issuer's then latest financial year end to (but excluding) such Interest Payment Date;

**"Distributable Profits"** has the meaning given to such term under section 736 of the Companies Act (or, in the case of a Substitute Obligor which is not a United Kingdom company, the relevant provision under the law of the jurisdiction of incorporation of the Substitute Obligor) or (in each case) any equivalent or replacement provision;

**"EEA Regulated Market"** means a market as defined by Article 4.1(21) of Directive 2014/65/EU (as amended, **"MiFID II"**);

**"Eligible Conversion Shares"** means all Conversion Shares in respect of which a valid Opt-Out Notice has not been received in accordance with Condition 6(g);

**"EEA"** means the countries comprising the European Union together with Norway, Liechtenstein and Iceland;

**"Excess Amount"** has the meaning given in the definition of "Conversion Shares Offer Consideration";

**"Exempt Newco Scheme"** means a Newco Scheme where, immediately after completion of the relevant Scheme of Arrangement, the ordinary shares or units or equivalent of Newco (or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco) are:

- (i) admitted to trading on the Relevant Stock Exchange on which the Ordinary Shares were admitted to trading immediately prior to the Newco Scheme; or
- (ii) admitted to listing or trading on such other Regulated Market as the Issuer or Newco may determine;

**"Existing Preference Shares"** means the Issuer's outstanding series of 8.375% cumulative irredeemable preference shares of £1 each and 8.75% cumulative irredeemable preference shares of £1 each;

**"Extraordinary Resolution"** has the meaning given to such term in the Trust Deed;

**"Fair Market Value"** means:

- (i) with respect to a Cash Dividend, the amount of such Cash Dividend;
- (ii) with respect to a cash amount, the amount of such cash;
- (iii) with respect to Relevant Securities, options, warrants or other rights that are publicly traded on a Relevant Stock Exchange of adequate liquidity (as determined in good faith by an Independent Adviser):
  - (A) with respect to such Relevant Securities (to the extent constituting equity share capital), the arithmetic mean of the daily Volume Weighted Average Prices of such Relevant Securities; and
  - (B) with respect to such Relevant Securities (other than to the extent constituting equity share capital), options, warrants or other rights, the arithmetic mean of the daily Closing Prices of such Relevant Securities, options, warrants or other rights,

in the case of each of (A) and (B), during the period of five (5) Dealing Days in respect of such Relevant Securities, options, warrants or other rights commencing on such date (or, if later, the first such Dealing Day such Relevant Securities, options, warrants or other rights are publicly traded) or such shorter period as such Relevant Securities, options, warrants or other rights are publicly traded on the Relevant Stock Exchange in respect thereof; and

- (iv) with respect to Relevant Securities, options, warrants or other rights that are not publicly traded on a Relevant Stock Exchange of adequate liquidity (as aforesaid), the fair market value of such Relevant Securities, options, warrants or other rights as determined in good faith by an Independent Adviser, on the basis of a commonly accepted market valuation method and taking account of such factors as it considers appropriate, including the market price per Ordinary Share, the dividend yield of an Ordinary Share, the volatility of such market price, prevailing interest rates and the terms of such Relevant Securities, options, warrants or other rights, including as to the expiry date and exercise price (if any) thereof.

Such amounts shall, in the case of (i) and (ii) above, be translated (if expressed in a currency other than the Relevant Currency) into the Relevant Currency (if declared, announced, made, paid or payable in a currency other than the Relevant Currency, and if the relevant dividend is payable at the option of the Issuer or a Shareholder in any currency additional to the Relevant Currency, the relevant dividend shall be treated as payable in the Relevant Currency) at the rate of exchange

(if any) used to determine the amount payable to Shareholders who were paid or are to be paid or are entitled to be paid the Cash Dividend in the Relevant Currency; and, in any other case, shall be translated into the Relevant Currency (if expressed in a currency other than the Relevant Currency) at the Prevailing Rate on that date. In addition, in the case of (i) and (ii) above, the Fair Market Value shall be determined on a gross basis and disregarding any withholding or deduction required to be made for or on account of tax, and disregarding any associated tax credit;

“**Final Cancellation Date**” means the date on which any Notes in relation to which no Conversion Shares Settlement Notice has been received by the Conversion Shares Depository (or its designated agent(s)) on or before the Notice Cut-off Date shall be cancelled, which date is expected to be no more than twelve (12) Business Days following the Notice Cut-off Date and which will be notified to Noteholders in the Trigger Event Notice;

“**Final Change of Control Notice Delivery Date**” means the date falling ten (10) days following the occurrence of a Change of Control’;

“**Final Conversion Shares Offer Notice Delivery Date**” means the date falling ten (10) Business Days following the Conversion Date;

“**Final Opt-Out Notice Delivery Date**” means the date falling three (3) Business Days prior to the commencement of the Conversion Shares Offer Period (or, if applicable, the Business Day preceding (i) the date of any Conversion Shares Offer Notice stating that the Issuer will not conduct a Conversion Shares Offer or (ii) if the Issuer fails to give such notice on or before the Final Conversion Shares Offer Notice Delivery Date, the Final Conversion Shares Offer Notice Delivery Date);

“**Final Postponed Redemption Notice Delivery Date**” means the date falling five (5) Business Days prior to any date set for redemption pursuant to (i) or (if reasonably practicable in the circumstances) (ii) of Condition 7(d);

“**Final Suspension of Redemption Notice**” means the notice to be delivered pursuant to Condition 7(d);

“**Final Suspension of Redemption Notice Delivery Date**” means the date falling five (5) Business Days prior to any date set for redemption of the Notes;

“**Group**” means the Issuer and its Subsidiaries;

“**Group Insurance Undertaking**” means an insurance undertaking or reinsurance undertaking whose data is included for the purposes of the calculation of the Solvency Capital Requirement of the Group pursuant to the Relevant Rules;

“**Independent Adviser**” means an independent financial institution of international repute or independent adviser with appropriate expertise (which may be (without limitation) the Conversion Calculation Agent) appointed by the Issuer at its own expense;

“**Insolvent Insurer Winding-up**” means:

- (i) the winding-up of any Group Insurance Undertaking;
- (ii) the appointment of an administrator of any Group Insurance Undertaking; or
- (iii) the liquidation or dissolution or any other analogous procedure or event (including, if applicable, any special insolvency procedure or special administration procedure pursuant to any applicable regime for the recovery and resolution of insurance firms and their affiliates),

in each case, where the assets of that Group Insurance Undertaking may or will be insufficient to meet all the claims of the policyholders and/or beneficiaries pursuant to a contract of insurance written by that Group Insurance Undertaking (and for these purposes, the claims of policyholders or beneficiaries pursuant to a contract of insurance shall include all amounts to which policyholders or beneficiaries are entitled under applicable legislation or rules relating to the winding-up of insurance companies to reflect any right to receive or expectation of receiving benefits which policyholders or beneficiaries may have);

“**insurance undertaking**” has the meaning given to it in the Relevant Rules;

“**Issuer Winding-Up**” has the meaning given to such term in Condition 3(c);

“**Issue Date**” means 31 March 2025;

“**Liabilities**” means the unconsolidated gross liabilities of the Issuer, as shown in the latest published audited balance sheet of the Issuer, but adjusted for contingent liabilities and for subsequent events, all in such manner as the Directors may determine;

“**Mandatory Interest Cancellation Date**” means each Interest Payment Date in respect of which a Mandatory Interest Cancellation Event has occurred or would occur if payment of interest was made on such Interest Payment Date;

“**Mandatory Interest Cancellation Event**” means each of the following events or circumstances:

- (i) the Solvency Condition is not met at the time for payment of such Interest Payment, or would cease to be met immediately following, and as a result of making, such Interest Payment (having regard also to any Additional Amounts payable with respect thereto);
- (ii) there is non-compliance with the Solvency Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Solvency Capital Requirement would occur immediately following, and as a result of making, such Interest Payment (having regard also to any Additional Amounts payable with respect thereto);
- (iii) there is non-compliance with the Minimum Capital Requirement at the time for payment of such Interest Payment, or non-compliance with the Minimum Capital Requirement would occur immediately following, and as a result of making, such Interest Payment (having regard also to any Additional Amounts payable with respect thereto);
- (iv) the amount of such Interest Payment, together with any Additional Amounts payable with respect thereto, when aggregated together with any interest payments or distributions which have been paid or made by the Issuer or which are scheduled simultaneously to be paid or made by the Issuer on its Tier 1 Own Fund Items (excluding any such payments which do not reduce the Issuer's Distributable Items and any payments already accounted for by way of deduction in determining the Issuer's Distributable Items) since the end of the latest financial year of the Issuer and prior to, or on, such Interest Payment Date, would exceed the amount of the Issuer's Distributable Items as at the Interest Payment Date in respect of such Interest Payment; or
- (v) the Issuer is otherwise required by the Relevant Regulator or under the Relevant Rules to cancel the relevant Interest Payment,

**“Minimum Capital Requirement”** means the Minimum Capital Requirement, the minimum consolidated group Solvency Capital Requirement or other minimum capital requirements (as applicable) referred to in the Relevant Rules in each case as may be applicable to the Issuer and/or the Group (whether on a solo, group or consolidated basis);

**“Multilateral Trading Facility”** means a multilateral trading facility operated by a regulated recognised stock exchange within the meaning of Sections 987 and 1005 of the United Kingdom Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time;

**“Newco Scheme”** means a scheme of arrangement or analogous proceeding (**“Scheme of Arrangement”**) which effects the interposition of a limited liability company (**“Newco”**) between the Shareholders of the Issuer immediately prior to the Scheme of Arrangement (the **“Existing Shareholders”**) and the Issuer, provided that:

- (i) only ordinary shares or units or equivalent of Newco or depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco are issued to Existing Shareholders;
- (ii) immediately after completion of the Scheme of Arrangement the only holders of ordinary shares, units or equivalent of Newco or, as the case may be, the only holders of depositary or other receipts or certificates representing ordinary shares or units or equivalent of Newco (except for a nominal holding by initial subscribers, if applicable), are Existing Shareholders holding in the same proportions as immediately prior to completion of the Scheme of Arrangement;
- (iii) immediately after completion of the Scheme of Arrangement, Newco is (or one or more wholly-owned Subsidiaries of Newco are) the only shareholder of the Issuer;
- (iv) all Subsidiaries of the Issuer immediately prior to the Scheme of Arrangement (other than Newco, if Newco is then a Subsidiary of the Issuer) are Subsidiaries of the Issuer immediately after completion of the Scheme of Arrangement; and

immediately after completion of the Scheme of Arrangement the Issuer holds, directly or indirectly, the same percentage of the ordinary share capital and equity share capital of those Subsidiaries as was held by the Issuer immediately prior to the Scheme of Arrangement;

**“Notice Cut-off Date”** means the date specified as such in the Trigger Event Notice, which date shall be at least twenty (20) Business Days following the Share Delivery Date;

**“Notional Preference Shares”** has the meaning given to such term in Condition 3(c);

**“Opt-Out Notice”** has the meaning given to such term in Condition 6(g);

**“Ordinary Shares”** means fully paid ordinary shares in the capital of the Issuer;

**“Own Fund Items”** means any own fund item referred to in the Relevant Rules;

**“Pari Passu Creditors”** has the meaning given to such term in Condition 3(c);



**“Postponed Redemption Date”** means the date falling ten (10) Business Days after the date on which the Redemption and Purchase Conditions are met or redemption of the Notes is otherwise permitted pursuant to Condition 7(c);

**“Prevailing Rate”** means, in respect of any currencies on any day, the spot mid-rate of exchange between the relevant currencies prevailing as at 12 noon (London time) on that date as appearing on or derived from Bloomberg page BFIX (or any successor page) in respect of such pair of currencies or, if such a rate cannot be so determined, the rate prevailing as at 12 noon (London time) on the immediately preceding day on which such rate can be so determined or, if such rate cannot be so determined, the rate determined in such other manner as an Independent Adviser shall in good faith prescribe;

**“Qualifying Securities”** means securities issued (including by way of exchange, conversion or otherwise) directly or indirectly by the Issuer that:

- (i) have terms not materially less favourable to a holder than the terms of the Notes, as reasonably determined by the Issuer in consultation with an independent investment bank of international standing, and provided that a certification to such effect (including as to the consultation with the independent investment bank and in respect of the matters specified in (1) to (7) below) signed by two (2) Directors or other Authorised Signatories of the Issuer shall have been delivered to the Trustee (upon which the Trustee shall be entitled to rely without liability to any person and without further enquiry) prior to the issue of the relevant securities, provided that they shall (1) contain terms which comply with the then current requirements of the Relevant Regulator in relation to Tier 1 Capital; (2) bear the same rate of interest from time to time applying to the Notes and preserve the Interest Payment Dates; (3) contain terms providing for the deferral, suspension and/or cancellation of payments of interest or principal only if such terms are not materially less favourable to a holder thereof than the equivalent provisions contained in these Conditions; (4) rank senior to, or *pari passu* with, the Notes; (5) preserve the obligations (including the obligations arising from the exercise of any right) of the Issuer as to redemption of the Notes, including (without limitation) as to timing of, and amounts payable upon, such redemption, but provided that such Qualifying Securities may not be redeemed by the Issuer prior to the tenth anniversary of the Issue Date (or, if any further Tranche(s) of the Notes has or have been issued pursuant to Condition 16 and consolidated to form a single series with the Notes, within ten (10) years of the Issue Date of the latest such Tranche to be issued) (save for redemption, substitution or variation on terms analogous with the terms of Condition 7(f), (h) or (i) and subject to the Redemption and Purchase Conditions); (6) contain terms providing for or requiring the Issuer to write down or convert into equity the whole or any part of the principal amount of the Notes only if such terms are not materially less favourable to a holder thereof than the equivalent provisions contained in these Conditions; and (7) preserve any existing rights under these Conditions to any other amounts payable under the Notes which, in each case, has accrued to Noteholders and not been paid (but without prejudice to any right of the Issuer subsequently to cancel any such rights so preserved in accordance with the terms of the Qualifying Securities); and
- (ii) are listed or admitted to trading on the International Securities Market of the London Stock Exchange or such other stock exchange as is a Recognised Stock Exchange or a Multilateral Trading Facility at that time as selected by the Issuer and approved by the Trustee;

**“Rating Agency”** means Fitch Ratings Limited, Moody's Investors Service Ltd. or S&P Global Ratings UK Limited or any of their respective successors;

**“Rating Agency Compliant Securities”** means securities issued directly or indirectly by the Issuer that are:

- (i) Qualifying Securities; and
- (ii) assigned substantially the same equity content or at the absolute discretion of the Issuer a lower equity content (provided such equity content is still higher than the equity content assigned to the Notes after the occurrence of the Rating Methodology Event) that was assigned by the Rating Agency to the Notes on or around the Issue Date and provided that a certification to such effect of two (2) Directors or other Authorised Signatories of the Issuer shall have been delivered to the Trustee prior to the issue of the relevant securities;

**“Rating Methodology Event”** will be deemed to occur if at any time there occurs a change in (or clarification to) the methodology of a Rating Agency (or in the interpretation of such methodology) as a result of which the “equity credit” (or such other nomenclature as may be used by such Rating Agency from time to time to describe the degree to which the terms of an instrument are supportive of an issuer’s senior obligations in terms of either leverage or total capital) assigned by such Rating Agency to the Notes is, as notified by such Rating Agency to the Issuer or as published by such Rating Agency, reduced when compared to the “equity credit” assigned by such Rating Agency to the Notes on or around the Issue Date;

**“Recognised Stock Exchange”** means a recognised stock exchange as defined in Section 1005 of the United Kingdom Income Tax Act 2007 as the same may be amended from time to time and any provision, statute or statutory instrument replacing the same from time to time;

“**Regulated Market**” means a regulated, regularly operating United Kingdom stock exchange or securities market, an EEA Regulated Market or another regulated, regularly operating, internationally recognised stock exchange or securities market;

“**Relevant Currency**” means the currency in which the Ordinary Shares or the Relevant Shares (as applicable) are quoted or dealt in on the Relevant Stock Exchange at such time or (if the Ordinary Shares are not then admitted to trading on a Relevant Stock Exchange) Sterling;

“**Relevant Regulator**” means the Bank of England acting as the UK Prudential Regulation Authority through its Prudential Regulation Committee or such successor or other authority having primary supervisory authority with respect to prudential matters in relation to the Issuer and/or the Group;

“**Relevant Rules**” means, at any time, any legislation, rules, guidelines, regulations or expectations set forth in applicable supervisory statements or applicable statements of policy (whether having the force of law or otherwise) then having effect in the United Kingdom (and, where relevant, as applied by the Relevant Regulator to the Issuer, the Group or any Subsidiary of the Issuer engaged in insurance business) (including, without limitation, for the purposes of applying prudential requirements applicable to internationally active insurance groups, if and to the extent then applicable to the Issuer, the Group or any Subsidiary of the Issuer engaged in insurance business) relating to own funds, capital resources, capital requirements, financial adequacy requirements, recovery and resolution or other prudential matters (including, but not limited to, the characteristics, features or criteria of any of the foregoing) and, without limitation to the foregoing, includes (to the extent then applied as aforesaid) Solvency UK; and references in these Conditions to any matter, action or condition being required or permitted by, or in accordance with, the Relevant Rules shall be construed in the context of the Relevant Rules as they apply to Tier 1 Capital and on the basis that the Notes are intended to continue to have the characteristics of Tier 1 Capital of the Issuer and/or the Group under the Relevant Rules (notwithstanding the occurrence of a Capital Disqualification Event);

“**Relevant Securities**” means any securities including, without limitation, shares in the capital of the Issuer, or options, warrants or other rights to subscribe for or purchase or acquire shares in the capital of the Issuer (and each a “**Relevant Security**”);

“**Relevant Stock Exchange**” means in respect of the Ordinary Shares, any Relevant Security, option, warrant or other right or any other securities, the Main Market of the London Stock Exchange plc or, if at the relevant time the Ordinary Shares, the Relevant Security, option, warrant or other right are not at that time listed and admitted to trading on the Main Market of the London Stock Exchange, the principal stock exchange or securities market (if any) on which the Ordinary Shares, such Relevant Security, option, warrant or other right are then listed, admitted to trading or quoted or accepted for dealing;

“**Senior Creditors**” means:

- (i) creditors of the Issuer:
  - (a) who are unsubordinated creditors of the Issuer including all policyholders of the Issuer and all beneficiaries under contracts of insurance written by the Issuer (for the avoidance of doubt, the claims of policyholders and such beneficiaries shall include all amounts to which such policyholders or beneficiaries are entitled under applicable legislation or rules relating to the winding-up of insurance companies to reflect any right to receive or expectation of receiving benefits which such policyholders or beneficiaries may have); or
  - (b) whose claims are, or are expressed to be, subordinated to the claims of other creditors of the Issuer (other than those (A) whose claims are in respect of instruments or obligations which constitute, or would but for any applicable limitation on the amount of any such capital constitute, Tier 1 Capital of the Issuer and/or the Group or (B) whose claims otherwise rank, or are expressed to rank, *pari passu* with, or junior to, the claims of the Noteholders in an Issuer Winding-Up occurring prior to a Trigger Event); and
- (ii) (if the Issuer determines that the Notes would not be included in the Tier 1 Own Fund Items of the Group at the time of determination unless the holders of some or all of the following securities were Senior Creditors at that time) the holders of all of the Existing Preference Shares (if any remain outstanding) and the holders of securities of the Issuer which, by their terms, rank or are expressed to rank *pari passu* with the Existing Preference Shares in an Issuer Winding-Up occurring prior to a Trigger Event;

“**Settlement Date**” means:

- (i) (x) where the Issuer has not elected that a Conversion Shares Offer will be conducted, with respect to any Note in relation to which a Conversion Shares Settlement Notice is received by the Conversion Shares Depositary or its designated agent on or before the Notice Cut-off Date, or (y) with respect to any Opted-Out Note, the date that is two (2) Business Days after the latest of:

- (A) the Share Delivery Date;
  - (B) (I) the date of the Conversion Shares Offer Notice stating that the Issuer will not elect for a Conversion Shares Offer to be conducted (or, if the Issuer fails to give such notice on or before the Final Conversion Shares Offer Notice Delivery Date, the Final Conversion Shares Offer Notice Delivery Date) or (II) (with respect to any Opted-Out Note) the date on which the relevant Opt-Out Notice is delivered in accordance with these Conditions; and
  - (C) the date on which the relevant Conversion Shares Settlement Notice has been received by the Conversion Shares Depository or its designated agent;
- (ii) where the Issuer has elected that a Conversion Shares Offer will be conducted, with respect to any Note (other than an Opted-Out Note) in relation to which a Conversion Shares Settlement Notice is received by the Conversion Shares Depository or its designated agent on or before the Notice Cut-off Date, the date that is two (2) Business Days after the latest of:
- (A) the date on which the Conversion Shares Offer Period expires or is terminated;
  - (B) the date on which the Conversion Shares Offer Consideration has been received by the Conversion Shares Depository; and
  - (C) the date on which the relevant Conversion Shares Settlement Notice has been so received by the Conversion Shares Depository or its designated agent; and
- (iii) with respect to any Note in relation to which a Conversion Shares Settlement Notice is not received by the Conversion Shares Depository or its designated agent on or before the Notice Cut-off Date, the date on which the Conversion Shares Depository delivers the relevant Conversion Shares or Conversion Shares Offer Consideration, as applicable, to the relevant Noteholder;

**“Share Delivery Date”** means, following the occurrence of a Trigger Event, the date on which the Issuer delivers the Conversion Shares to the Conversion Shares Depository in accordance with these Conditions which date is expected to be no more than fifteen (15) Business Days following the Conversion Date and which will be notified to Noteholders in the Trigger Event Notice;

**“Shareholders”** means the holders of Ordinary Shares;

**“Solvency Capital Requirement”** means the Solvency Capital Requirement or the consolidated group Solvency Capital Requirement referred to in, or any other capital requirement (other than the Minimum Capital Requirement) howsoever described in, the Relevant Rules, in each case as may be applicable to the Issuer and/or the Group (whether on a solo, group or consolidated basis);

**“Solvency UK”** means (i) the Solvency II Directive and any delegated act, regulatory technical standards or implementing standards made thereunder as each forms part of the domestic law of the United Kingdom and as each may be amended or replaced by the laws of England and Wales from time to time, (ii) any additional measures adopted to give effect thereto (whether implemented by way of legislation, rules, regulations, guidance, expectations of the Relevant Regulator or otherwise) and (iii) any legislation, rules, regulations, guidance or expectations of the Relevant Regulator which amend, modify, re-enact or replace (i) and/or (ii) in the United Kingdom;

**“Solvency II Directive”** means Directive 2009/138/EC of the European Parliament and of the Council of the European Union of 25 November 2009 on the taking-up and pursuit of the business of insurance and reinsurance (Solvency II);

**“Subsidiary”** has the meaning given to it under Section 1159 of the Companies Act 2006 (as amended from time to time);

**“subsidiary undertaking”** has the meaning given to subsidiary undertaking under Section 1162 of the Companies Act 2006 (as amended from time to time);

**“Tax Event”** means an event of the type described in Condition 7(f)(i) or (ii);

**“Tier 1 Capital”** means Tier 1 own funds as defined in the Relevant Rules from time to time (including, without limitation, by virtue of the operation of any grandfathering provisions under any Relevant Rules);

**“Tier 1 Own Fund Items”** means subordinated notes, ordinary shares or any other share capital of any class, or any other items which in each case constitute Tier 1 Capital for the purposes of the Issuer and/or the Group under the Relevant Rules at the relevant time, whether on a solo, group or consolidated basis;

a **“Trigger Event”** shall occur if at any time:

- (i) the amount of Own Fund Items eligible to cover the Solvency Capital Requirement is equal to or less than 75 per cent. of the Solvency Capital Requirement;

- (ii) the amount of Own Fund Items eligible to cover the Minimum Capital Requirement is equal to or less than the Minimum Capital Requirement; or
- (iii) a breach of the Solvency Capital Requirement has occurred and such breach has not been remedied within a period of three (3) months from the date on which the breach was first observed;

“**Trigger Event Notice**” means the notice referred to as such in Condition 6 which shall be given by the Issuer to the Noteholders, in accordance with Condition 17, the Trustee, the Registrar, the Issuing, Paying and Conversion Agent and the Relevant Regulator, and which shall state with reasonable detail (i) the nature of the relevant Trigger Event, (ii) the basis of its calculation, (iii) the prevailing Conversion Price, (iv) the Conversion Date (being the date on which the Trigger Event occurred), (v) the relevant Share Delivery Date, (vi) details of the Conversion Shares Depositary and (vii) details of how to give notices required or permitted by these Conditions to the Conversion Shares Depositary;

“**United Kingdom**” or “**UK**” means the United Kingdom of Great Britain and Northern Ireland;

“**Volume Weighted Average Price**” means, in respect of an Ordinary Share (or Relevant Share, as applicable) or Relevant Security, options, warrants or other rights on any Dealing Day, the order book volume-weighted average price of such Ordinary Share (or Relevant Share) or Relevant Security on the Relevant Stock Exchange in respect thereof as published by or derived from Bloomberg page HP (or any successor page) (using the setting “PR094 VWAP (Vol Weighted Average Price)” or any successor setting) in respect of such Ordinary Shares (or Relevant Shares), options, warrants or other rights for the Relevant Stock Exchange in respect thereof on such Dealing Day (and for the avoidance of doubt such page for an Ordinary Share as at the Issue Date is AV/ LN Equity HP), or, if such price is not available from Bloomberg as aforesaid, in any such case, such other source as shall be determined in good faith to be appropriate by an Independent Adviser on such Dealing Day, provided that if on any such Dealing Day such price is not available or cannot otherwise be determined as provided above, the Volume Weighted Average Price of an Ordinary Share (or Relevant Share, as applicable), Relevant Security, option, warrant or other right, as the case may be, in respect of such Dealing Day shall be the Volume Weighted Average Price, determined as provided above, on the immediately preceding Dealing Day on which the same can be so determined or determined as an Independent Adviser might otherwise determine in good faith to be appropriate.

## **20. Governing Law**

The Trust Deed, the Notes and any non-contractual obligations arising out of or in connection with the Trust Deed and the Notes are governed by, and shall be construed in accordance with, English law.

## **OVERVIEW OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM**

The Notes will initially be represented by a Global Certificate. The Global Certificate contains provisions which apply to the Notes while they are in global form, some of which modify the effect of the Conditions set out in this Offering Memorandum. The following is a summary of certain of those provisions.

### **Initial Issue of Certificates**

The Global Certificate will be registered in the name of a nominee (the “**Registered Holder**”) a common depositary for Euroclear and Clearstream, Luxembourg (the “**Common Depositary**”) and may be delivered on or prior to the Issue Date.

Upon the registration of the Global Certificate in the name of any nominee for Euroclear and Clearstream, Luxembourg and delivery of the Global Certificate to the Common Depositary, Euroclear or Clearstream, Luxembourg will credit each subscriber with a nominal amount of Notes equal to the nominal amount thereof for which it has subscribed and paid.

### **Relationship of Accountholders with Clearing Systems**

Each of the persons shown in the records of Euroclear, Clearstream, Luxembourg or any other clearing system as the holder of a Note represented by a Global Certificate must look solely to Euroclear, Clearstream, Luxembourg or such other clearing system (as the case may be) for his share of each payment made by the Issuer to the holder of the Global Certificate, and in relation to all other rights arising under the Global Certificates subject to and in accordance with the respective rules and procedures of Euroclear, Clearstream, Luxembourg, or such clearing system (as the case may be). Such persons shall have no claim directly against the Issuer in respect of payments due on the Notes for so long as the Notes are represented by such Global Certificate and such obligations of the Issuer will be discharged by payment to the registered holder of the underlying Global Certificate in respect of each amount so paid.

### **Exchange**

The following will apply in respect of transfers of Notes held in Euroclear or Clearstream, Luxembourg or a relevant clearing system. These provisions will not prevent the trading of interests in the Notes within a clearing system whilst they are held on behalf of such clearing system, but will limit the circumstances in which the Notes may be withdrawn from the relevant clearing system.

Transfers of the holding of Notes represented by the Global Certificate pursuant to Condition 2(a) may only be made in part:

- (i) if the relevant clearing system (other than CDS (as defined below)) is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so; or
- (ii) with the consent of the Issuer,

provided that, in the case of the first transfer of part of a holding pursuant to (i) above, the Registered Holder has given the Registrar not less than 30 days' notice at its specified office of the Registered Holder's intention to effect such transfer.

### **Amendment to Conditions**

The Global Certificate contains provisions that apply to the Notes that they represent, some of which modify the effect of the terms and conditions of the Notes set out in this Offering Memorandum. The following is a summary of certain of those provisions:

#### ***Payments***

All payments in respect of Notes represented by the Global Certificate will be made to, or to the order of, the person whose name is entered on the Register at the close of business on the Clearing System Business Day immediately prior to the date for payment, where “**Clearing System Business Day**” means Monday to Friday inclusive except 25 December and 1 January.

#### ***Meetings***

The holder of Notes represented by the Global Certificate shall (unless such Global Certificate represents only one Note) be treated as being two persons for the purposes of any quorum requirements of a meeting of Noteholders and, at any such meeting, the holders of the Notes represented by the Global Certificate shall be treated as being entitled to one vote in respect of each £1,000 in principal amount of the Notes.

### ***Calculation of interest***

For so long as all of the Notes are represented by the Global Certificate and such Global Certificate is held on behalf of Euroclear or Clearstream, Luxembourg, interest shall be calculated on the basis of the aggregate principal amount of the Notes represented by the Global Certificate, and not per Calculation Amount as provided in Condition 4.

### ***Cancellation***

Cancellation of any Note following its redemption or purchase by the Issuer or any of the subsidiaries of the Issuer, or following a Conversion, will be effected by reduction in the aggregate principal amount of the Notes in the register of Noteholders and by the annotation of the appropriate schedule to the relevant Global Certificate.

### ***Trustee's Powers***

In considering the interests of Noteholders while the Global Certificate is held on behalf of, or registered in the name of any nominee for, a clearing system, the Trustee may have regard to any information provided to it by such clearing system or its operator as to the identity (either individually or by category) of its accountholders with entitlements to the Global Certificate and may consider such interests, and treat such accountholders, as if such accountholders were the holders of the Notes represented by the Global Certificate. The Trustee may also have regard to any other letter of confirmation, form of record, information and/or certification as the Trustee shall, in its absolute discretion, think fit as evidence that at any particular time or throughout any particular period any particular person should be regarded as having an interest in a particular nominal amount of Notes and if the Trustee does so rely on such evidence, such letter of confirmation, form of record, information and/or certification shall be conclusive and binding on all concerned.

### ***Notices***

For so long as all of the Notes are represented by the Global Certificate and the same is held on behalf of a clearing system, notices to Noteholders may be given by delivery of the relevant notice to such relevant clearing system(s) for communication to the relevant accountholders (or otherwise in such manner as the Trustee, the Issuing, Paying and Conversion Agent and the relevant clearing system(s) may approve for this purpose) rather than in the manner as required by Condition 17. Any such notice shall be deemed to have been given to the Noteholders on the day such notice is delivered to the relevant clearing system as aforesaid. So long as the Notes are admitted to listing or trading on any stock exchange, the requirements of such stock exchange shall also be complied with.

### ***Conversion***

For so long as any Notes are represented by the Global Certificate and the same is held on behalf of Euroclear and Clearstream, Luxembourg, any Conversion of such Notes will be effected in accordance with the Conditions and, if and to the extent necessary, in accordance with the standard operating procedures of Euroclear and/or Clearstream, Luxembourg.

### ***Suspension Date following Conversion***

In the case of Notes represented by a Global Certificate, any Conversion Shares Settlement Notice delivered prior to the day following the Suspension Date shall be void.

For the purposes of this provision, "**Suspension Date**" shall mean a date specified by the Issuer in the Trigger Event Notice or the Conversion Shares Offer Notice (and any notice of termination of the Conversion Shares Offer), as the case may be, as being the date on which Euroclear or Clearstream, Luxembourg shall suspend all clearance and settlement of transactions in the Notes in accordance with its rules and procedures which date shall, in the case of a Conversion Shares Offer, be as proximate to the end of the Conversion Shares Offer Period as is reasonably practicable in accordance with the rules and procedures of Euroclear or Clearstream, Luxembourg.

### ***Electronic Consent and Written Resolution***

While any Global Certificate is registered in the name of any nominee for, a clearing system, then:

- (A) approval of a resolution proposed by the Issuer or the Trustee (as the case may be) given by way of electronic consents communicated through the electronic communications systems of the relevant clearing system(s) in accordance with their operating rules and procedures by or on behalf of the holders of not less than 75 per cent. in nominal amount of the Notes outstanding (an "**Electronic Consent**" as defined in the Trust Deed shall, for all purposes (including matters that would otherwise require an Extraordinary Resolution to be passed at a meeting for which the special quorum was satisfied), take effect as an Extraordinary Resolution passed at a meeting of Noteholders duly convened and held, and shall be binding on all Noteholders whether or not they participated in such Electronic Consent; and
- (B) where Electronic Consent is not being sought, for the purpose of determining whether a Written Resolution (as defined in the Trust Deed) has been validly passed, the Issuer and the Trustee shall be entitled to rely on consent or instructions given in writing directly to the Issuer and/or the Trustee, as the case may be, by (a) accountholders

in the clearing system with entitlements to such Global Certificate and/or, where (b) the accountholders hold any such entitlement on behalf of another person, on written consent from or written instruction by the person identified by that accountholder as the person for whom such entitlement is held. For the purpose of establishing the entitlement to give any such consent or instruction, the Issuer and the Trustee shall be entitled to rely on any certificate or other document issued by, in the case of (a) above, Euroclear, Clearstream, Luxembourg or any other relevant alternative clearing system (the “**relevant clearing system**”) and, in the case of (b) above, the relevant clearing system and the accountholder identified by the relevant clearing system for the purposes of (b) above. Any resolution passed in such manner shall be binding on all Noteholders, even if the relevant consent or instruction proves to be defective. Any such certificate or other document may comprise any form of statement or print out of electronic records provided by the relevant clearing system (including Euroclear’s EUCLID or Clearstream, Luxembourg’s CreationOnline system) in accordance with its usual procedures and in which the accountholder of a particular principal or nominal amount of the Notes is clearly identified together with the amount of such holding. Neither the Issuer nor the Trustee shall be liable to any person by reason of having accepted as valid or not having rejected any certificate or other document to such effect purporting to be issued by any such person and subsequently found to be forged or not authentic.

**USE OF PROCEEDS**

The net proceeds of the issue of the Notes will be used to fund the general business and commercial activities of the Group, including the refinancing of the Group's existing securities.



## DESCRIPTION OF THE GROUP

### 1. General

The Issuer, Aviva plc, is a public limited company incorporated under the laws of England and Wales with registered number 02468686, and is the holding company of the Group. The Issuer was incorporated on 9 February 1990. The Group's main activities are the provision of long-term insurance and savings, general and health insurance, and fund management products and services.

The issued share capital of the Issuer as at 21 March 2025 (being the latest practicable date prior to the publication of this Offering Memorandum) comprised 2,677,650,034 ordinary shares of 32 <sup>17</sup>/<sub>19</sub> pence each totalling £881 million in nominal value, and 200 million irredeemable preference shares of £1 each totalling £200 million in nominal value, all of which are fully paid. This results in a total issued share capital of £1,081 million.

The Issuer's registered office is 80 Fenchurch Street, London EC3M 4AE.

The telephone number is +44 (0)20 7283 2000.

### 2. Overview of the Group

The Group was formed by the merger of CGU plc and Norwich Union plc on 30 May 2000. CGU plc was renamed CGNU plc on completion of the merger, and subsequently renamed Aviva plc on 1 July 2002. CGU plc and Norwich Union plc were both major UK-based insurers operating in the long-term insurance business and general insurance markets. Both companies had long corporate histories.

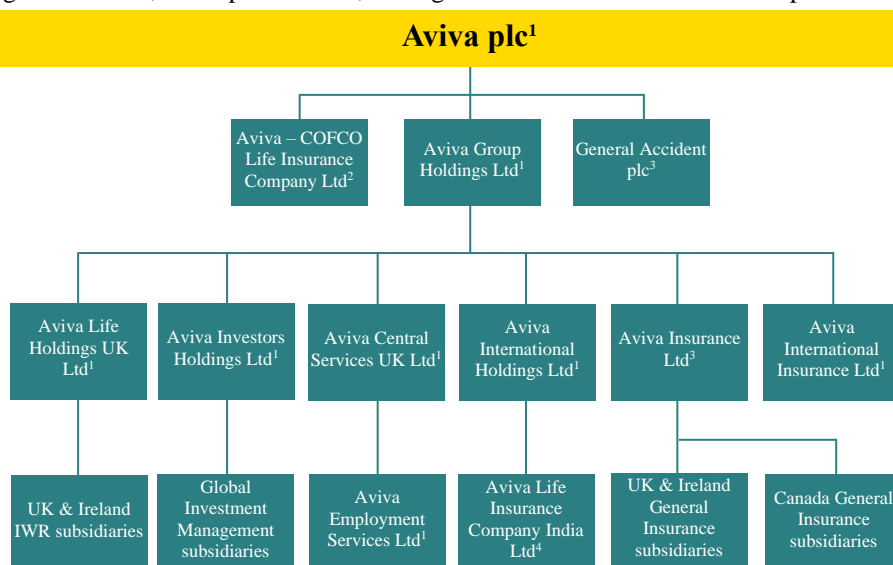
Aviva is the UK's leading diversified insurer across Insurance, Wealth and Retirement, with 20.5 million customers in the UK, Ireland and Canada. The Group's asset management business, 'Aviva Investors' operates across these key markets. The Group also has international investments in operations in India and China. As at 31 December 2024, the Group's workforce included over 25,000 employees with over 19,000 in the UK.

The Group's results can be segmented either by activity or by geography. The primary reporting format of the Group is along market lines, with supplementary information being given by business activity. Financial performance of the Group's key markets is presented as Insurance, Wealth and Retirement ("IWR", which brings together the life insurance, long-term health and accident insurance, savings, pensions and annuity businesses in the UK and Ireland), General Insurance (bringing together the general insurance businesses in the UK, Ireland and Canada) and Aviva Investors. The Group's other continuing international businesses are presented as International Investments (consisting of the Group's interests in China and India).

### 3. The Group

#### Legal entity structure chart

The following chart shows, in simplified form, the organisational structure of the Group as at 21 March 2025.



- 1 Incorporated in England and Wales
- 2 Incorporated in People's Republic of China
- 3 Incorporated in Scotland
- 4 Incorporated in India

Note: Intermediate holding companies between operating businesses and AGH not shown.

#### 4. Ratings

As at 21 March 2025 (being the latest practicable date prior to the publication of this Offering Memorandum) the Group's rating from Standard and Poor's is AA- (very strong) with a Stable outlook; Aa3 (good) with a Stable outlook from Moody's; and AA- (very strong) with a Stable outlook from Fitch Ratings.

#### 5. Recent business developments

On 23 December 2024, the Issuer announced that it has reached agreement with Direct Line on the terms of a recommended cash and share offer for Direct Line. On 10 March 2025, Direct Line announced that the proposed Scheme and its implementation were approved by the requisite majority of Scheme Shareholders and Direct Line Shareholders. For further information on the proposed Acquisition, see the Acquisition Announcement and the Scheme Document.

On 11 March 2025, the Issuer announced a parallel cancellation and tender offer transaction of its preference shares. If successful, the cancellation would have the effect of retiring 100 per cent. of the preference shares. If the cancellation does not receive the necessary shareholder support or is otherwise not implemented, eligible holders of the preference shares are being invited in parallel to tender any or all of their preference shares for purchase on the terms set out in a tender offer memorandum. The Issuer's subsidiary, General Accident plc, also announced a similar transaction in respect of its preference shares on the same day.

#### 6. Management of the Issuer

##### *Directors of the Issuer*

The following is a list of directors of the Issuer and their principal directorships (if any) performed outside the Group which are, or may be, significant with respect to the Issuer, as at 21 March 2025. The business address of each of the directors referred to below is at 80 Fenchurch Street, London EC3M 4AE.

<b>Name</b>	<b>Responsibilities in relation to the Issuer</b>	<b>Other significant directorships</b>
<b>George Culmer</b>	Chair	Rolls Royce Holdings plc (Senior Independent Director)
<b>Amanda Blanc</b>	Group Chief Executive Officer	BP plc (Senior Independent Director) Association of British Insurers (Board member)
<b>Charlotte Jones</b>	Group Chief Financial Officer	None
<b>Cheryl Agius</b>	Independent Non-Executive Director	British Coal Staff Superannuation Scheme (Chair)
<b>Andrea Blance</b>	Independent Non-Executive Director Chair of the Risk Committee	Hargreaves Lansdown plc (Non-Executive Director and Risk Committee Chair)
<b>Ian Clark</b>	Independent Non-Executive Director	EGV (Holdings) Limited (Non-Executive Director)
<b>Patrick Flynn</b>	Senior Independent Director Chair of the Audit Committee	NatWest Group Plc (Non-Executive Director and Audit Committee Chair)
<b>Shonaid Jemmett-Page</b>	Independent Non-Executive Director Chair of the Customer and Sustainability Committee	Cordiant Digital Infrastructure Limited (Chair) ClearBank Limited (Chair ) QinetiQ Group Plc (Non-Executive Director)

<b>Name</b>	<b>Responsibilities in relation to the Issuer</b>	<b>Other significant directorships</b>
<b>Mohit Joshi</b>	Independent Non-Executive Director	Tech Mahindra Limited (Managing Director and CEO)
<b>Pippa Lambert</b>	Independent Non-Executive Director Chair of the Remuneration Committee	Zopa Bank Limited (Board Member and Remuneration Committee Chair)
<b>Jim McConville</b>	Independent Non-Executive Director	The Royal Bank of Scotland International (Holdings) Limited (Chair) The Royal Bank of Scotland International Limited (Chair)
<b>Michael Mire</b>	Non-Executive Director	Luther Systems Limited (Chair)
<b>T. Neil Morrison</b>	Independent Non-Executive Director	BOXX Insurance Inc. (Chair)
<b>Susan Adams</b>	Group Company Secretary	Climate Outreach (Chair)

***Conflicts of interest***

There are no potential conflicts of interest between the duties to the Issuer of the persons listed under “Directors of the Issuer” above and their private interests or other duties.

## UK TAXATION

*The comments below are of a general nature and are based on the Issuer's understanding of current UK law and H.M. Revenue & Customs published practice (which may or may not be binding on H.M. Revenue & Customs) relating to certain aspects of UK taxation of interest and UK stamp duty and stamp duty reserve tax and are subject to changes therein or thereof, possibly with retrospective effect, in each case as at the latest practicable date before the date of this Offering Memorandum. They deal only with the question of whether payments of interest under the Notes may be made without withholding or deduction for or on account of UK income tax and with some additional points regarding the potential impact of residence on taxation by direct assessment. They are not exhaustive and they do not deal with other UK tax consequences which might arise from acquiring, holding or disposing of Notes. They do not necessarily apply where the income is deemed for tax purposes to be the income of any other person. They relate only to the position of persons who are the absolute beneficial owners of their Notes and hold their Notes as investors, and may not apply to certain classes of persons such as dealers, persons connected with the Issuer or certain professional investors, to whom special rules may apply.*

*The UK tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. These comments do not purport to constitute legal or tax advice. Any Noteholders who may be subject to tax in a jurisdiction other than the UK (in particular, in any jurisdiction where such Noteholders are resident), or are in any doubt as to their own tax position, should consult their own professional advisers.*

*The references to "interest" and "principal" in the comments below mean "interest" and "principal" as understood in UK tax law. The comments below do not take account of any different definitions of "interest" or "principal" which may prevail under any other law or which may be created by the terms and conditions of the Notes or any related documentation.*

*The comments below are made in relation to the Notes prior to any Conversion of the Notes into Ordinary Shares pursuant to the Conditions, and no comments are made about the tax consequences of the ownership of any Conversion Shares following a Trigger Event.*

- (a) To the extent that it does not comprise a premium or discount, a payment of principal, not comprising interest, in respect of any Notes will be payable without withholding or deduction for or on account of UK income tax.
- (b) Where Notes are issued at an issue price of less than 100 per cent. of their principal amount, any payments in respect of the accrued discount on such Notes will not be made subject to any withholding or deduction for or on account of UK income tax as long as they do not constitute payments in respect of interest.
- (c) Where Notes are issued with a redemption premium, as opposed to being issued at a discount, then any such element of premium may constitute a payment of interest and, if so, paragraphs (d) to (g) below (as appropriate) will apply.
- (d) Payments of interest by the Issuer on the Notes may be made without withholding or deduction for or on account of UK income tax provided that the Notes are and continue to be "quoted Eurobonds" within the meaning of Section 987 of the Income Tax Act (the "ITA 2007"). The Notes will constitute "quoted Eurobonds" while they carry a right to interest and are either listed on a "recognised stock exchange" within the meaning of Section 1005 of the ITA 2007 or admitted to trading on a "multilateral trading facility" operated by a regulated recognised stock exchange within the meaning of Section 987 of the ITA 2007. The ISM is a multilateral trading facility operated by a regulated recognised stock exchange for the purposes of the ITA 2007. Provided, therefore, that the Notes are and remain admitted to trading on the ISM and the ISM continues to be a multilateral trading facility operated by a regulated recognised stock exchange for the purposes of the ITA 2007 interest on the Notes will be payable without withholding or deduction for or on account of UK income tax.
- (e) In all other cases, interest will generally be paid after deduction of UK income tax at the basic rate (currently 20 per cent.) subject to the availability of certain other reliefs under domestic law or to any direction to the contrary from H.M. Revenue & Customs in respect of such relief as may be available pursuant to the provisions of any applicable double taxation treaty.
- (f) If interest were paid subject to deduction of UK income tax (for example if the Notes lost their listing), Noteholders who are not resident for tax purposes in the UK might be able to recover all or part of the tax deducted if there is an appropriate provision in an applicable double taxation treaty.
- (g) Interest on the Notes generally has a UK source and, accordingly, should remain chargeable to UK tax by direct assessment even if the interest is paid without withholding or deduction. However, interest will not generally be assessed to UK tax by direct assessment in the hands of a holder of Notes who is not resident in the UK, except where such person, in the case of an individual, carries on a trade, profession or vocation in the UK through a UK branch or agency or, in the case of a body corporate, carries on a trade or vocation in the UK through a permanent establishment, in connection with which the interest is received or to which the Notes are attributable, in which

case (subject to exemptions for interest received by certain categories of agent, such as brokers and investment managers) tax may be levied on the UK branch, agency or permanent establishment.

- (h) Noteholders should note that the provisions relating to additional amounts referred to in Condition 9 above would not apply if H.M. Revenue & Customs sought to assess directly the person entitled to the relevant interest to UK tax. However, exemption from, or reduction of, such UK tax liability might be available under an applicable double taxation treaty.

*UK stamp duty and stamp duty reserve tax*

The Finance Act 2019 introduced a new regime for hybrid capital instruments (the “**HCI rules**”). The Issuer will make a hybrid capital election in respect of the Notes pursuant to section 475C of the Corporation Tax Act 2009, and the Issuer believes that the instrument is not issued in consequence of, or otherwise in connection with, any arrangements, the main purpose, or one of the main purposes of which, is to secure a tax advantage. Consequently, the Issuer expects that the HCI rules should apply to the Notes such that they should benefit from the exemption from all stamp duties contained in the HCI rules.

Even if the HCI rules did not apply to the Notes, no UK stamp duty or stamp duty reserve tax should be payable on the issue of the Notes, and no UK stamp duty or stamp duty reserve tax should be payable on the transfer of Notes within a clearing system (such as Euroclear or Clearstream, Luxembourg) without a written instrument of transfer provided that no election is or has been made by the relevant clearing system under section 97A of the Finance Act 1986 (a “**97A election**”) that applies to the Notes. However, if a 97A election were to apply to the Notes in the future, transfers of the Notes within the relevant clearing system could, unless the HCI rules or another exemption applies, be subject to stamp duty reserve tax, generally at the rate of 0.5 per cent of the consideration given under the agreement to transfer the Notes.

No liability to UK stamp duty or stamp duty reserve tax should generally arise on a cash redemption of Notes, provided no issue or transfer of shares or other notes is effected upon or in connection with such redemption.

**FATCA**

*The comments below are of a general nature and are based on the Issuer's understanding of FATCA (as defined below), the IGA (as defined below) and current UK and U.S. law and practice relating to FATCA and the IGA, and are subject to changes therein or thereof, possibly with retrospective effect. These comments are not exhaustive and do not purport to constitute legal or tax advice. Any Noteholders in any doubt as to the application of FATCA, the IGA or any other relevant law or practice (whether in the UK, the U.S. or elsewhere) should consult their own professional advisers.*

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a “**foreign financial institution**” (as defined by FATCA) may be required to withhold on certain payments it makes (“**foreign passthru payments**”) to persons that fail to meet certain certification, reporting, or related requirements. The UK has entered into an intergovernmental agreement with the U.S. to implement FATCA (the “**IGA**”), which modifies the way in which FATCA applies in the UK. Under the provisions of the IGA as currently in effect, a foreign financial institution in the UK would generally not be required to withhold under FATCA from payments that it makes. If an amount were to be deducted or withheld from payments on the Notes as a result of FATCA, the Issuer would not be required to pay additional amounts on account of such deduction or withholding. Noteholders should consult their own tax advisors regarding how these rules may apply to their investment in the Notes.

## **SUBSCRIPTION AND SALE**

### **Summary of the Subscription Agreement**

Pursuant to a subscription agreement dated 27 March 2025 (the “**Subscription Agreement**”), Citigroup Global Markets Limited (the “**Sole Structuring Advisor**”) and Barclays Bank PLC, HSBC Bank plc, J.P. Morgan Securities plc, Lloyds Bank Corporate Markets plc and NatWest Markets Plc (together with the Sole Structuring Advisor, the “**Joint Lead Managers**” and each, a “**Joint Lead Manager**”) have jointly and severally agreed with the Issuer, subject to the satisfaction of certain conditions, to subscribe (or procure the subscription) for the Notes at 100 per cent. of their principal amount less commissions. In addition, the Issuer has agreed to reimburse the Joint Lead Managers for certain of their expenses in connection with the issue of the Notes. The Subscription Agreement entitles the Joint Lead Managers to terminate it in certain circumstances prior to payment being made to the Issuer.

### **Selling Restrictions**

#### ***U.S.***

Each Joint Lead Manager has acknowledged that the Notes and any Ordinary Shares which may be delivered upon Conversion of the Notes have not been and will not be registered under the Securities Act, and the Notes and any Ordinary Shares which may be delivered upon Conversion of the Notes may not be offered or sold within the U.S. or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the U.S. or its possessions or to a U.S. person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Joint Lead Manager has represented and agreed that, except as permitted by the Subscription Agreement, it will not offer, sell or deliver the Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of any identifiable tranche of which such Notes are a part, within the U.S. or to, or for the account or benefit of, U.S. persons, and it will have sent to each dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the U.S. or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meaning given to them by Regulation S under the Securities Act.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the U.S. by any Joint Lead Manager (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

#### ***Prohibition of Sales to EEA Retail Investors***

The Joint Lead Managers have represented and agreed that they have not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the European Economic Area. For the purposes of this section the expression “retail investor” means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (11) of Article 4(1) of MiFID II; or
- (b) a customer within the meaning of the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (10) of Article 4(1) of MiFID II.

#### ***Prohibition of Sales to UK Retail Investors***

The Joint Lead Managers have represented and agreed that they have not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes to any retail investor in the UK. For the purposes of this section the expression “**retail investor**” means a person who is one (or more) of the following:

- (a) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of the domestic law of the UK by virtue of the EUWA; or
- (b) a customer within the meaning of the provisions of the FSMA and any rules or regulations made under the FSMA to implement the Insurance Distribution Directive, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of UK MiFIR.

**UK**

Each Joint Lead Manager has represented and agreed that:

- (a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and
- (b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the UK.

**Canada**

Each Joint Lead Manager has represented and agreed that:

- (1) the sale and delivery of any Notes to any purchaser who is a resident of Canada or otherwise subject to Canadian Securities Laws (as defined below) (each such purchaser, a “**Canadian Purchaser**”) by it shall be made so as to be exempt from the prospectus requirements of applicable Canadian securities laws and regulations, rulings and orders made thereunder and rules and instruments issued and adopted by the relevant securities regulator or regulatory authority, including those applicable in each of the provinces and territories of Canada (collectively, “**Canadian Securities Laws**”);
- (2) without limiting the generality of paragraph (1) above, each Canadian Purchaser must be, or must be deemed under applicable Canadian Securities Laws to be, acquiring the Notes as principal for its own account, and not as agent for the benefit of another person, and each Canadian Purchaser:
  - (a) must not be an individual;
  - (b) if such Canadian Purchaser is resident in, or otherwise subject to the securities laws of, a province or territory of Canada other than Ontario, must be an “accredited investor” as defined in section 1.1 of National Instrument 45-106 – Prospectus Exemptions (“**NI 45-106**”);
  - (c) if such Canadian Purchaser is resident in the Province of Ontario, or otherwise subject to the securities laws of, must be an “accredited investor” as defined in Section 73.3(1) of the Securities Act (Ontario);
  - (d) must not be a person created or used solely to purchase or hold the Notes as an “accredited investor” as described in paragraph (m) of the definition of “accredited investor” in section 1.1 of NI 45-106; and
  - (e) must be a “permitted client” as defined in section 1.1 of National Instrument 31-103 – Registration Requirements, Exemptions and Ongoing Registrant Obligations;
- (3) it will comply with all relevant Canadian Securities Laws concerning any resale of the Notes by it to a Canadian Purchaser and will prepare, execute, deliver, and file all documentation required by applicable Canadian Securities Laws in connection with each resale by it of Notes to a Canadian Purchaser; and
- (4) it has not provided and will not provide to any Canadian Purchaser any document or other material that would constitute an “offering memorandum” for purposes of Canadian Securities Laws, other than (i) if the associated offering of Notes is being made primarily in a jurisdiction other than Canada, this Offering Memorandum, or (ii) if a Canadian offering memorandum in respect of the offering of the Notes is prepared by the Issuer, and provided to the Joint Lead Manager, such Canadian offering memorandum.

Each Canadian Purchaser is hereby advised:

- (1) the Notes may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the securities must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws;
- (2) applicable Canadian Securities Laws may provide a Canadian Purchaser with remedies for rescission or damages if this Offering Memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the Canadian Purchaser within the time limit prescribed by Canadian Securities Laws of the Canadian Purchaser’s province or territory. The Canadian Purchaser should refer to any applicable provisions of Canadian Securities Laws of the Canadian Purchaser’s province or territory for particulars of these rights or consult with a legal advisor;
- (3) pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (**NI 33-105**), Joint Lead Managers selling to Canadian Purchasers are not required to comply with the disclosure requirements of NI 33-



105 regarding underwriter conflicts of interest in connection with an offering of Notes; and

- (4) any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable Canadian Securities Laws.

### **Republic of Italy**

The offering of the Notes has not been registered with the Commissione Nazionale per le Società e la Borsa (“**CONSOB**”) pursuant to Italian securities legislation and, accordingly, each Joint Lead Manager has represented and agreed that it has not offered, sold or distributed, and will not offer, sell or distribute any Notes or any copy of this Offering Memorandum or any other document relating to the Notes in the Republic of Italy (“**Italy**”) in an offer of securities to the public under the meaning of Article 2, letter (d) of the Prospectus Regulation and/or Article 1, paragraph 1, letter t) of Legislative Decree no. 58 of 24 February 1998, as amended (the “**Consolidated Financial Services Act**”), except:

- (a) to qualified investors (*investitori qualificati*), as defined pursuant to Article 2 of the Prospectus Regulation and any applicable provision of the Consolidated Financial Services Act and Italian CONSOB regulations, all as amended, provided that such qualified investors will act in their capacity and not as depositaries or nominees for other shareholders; or
- (b) in any other circumstances where an express exemption from compliance with the restrictions on offers to the public applies, as provided under the Article 1 of the Prospectus Regulation, Article 34-ter of CONSOB Regulation No. 11971 of 14 May 1999 and the applicable Italian laws, all as amended.

Moreover, and subject to the foregoing, any offer, sale or delivery of the Notes or distribution of copies of this Offering Memorandum or any other document relating to the Notes in Italy under (a) or (b) above must be:

- (i) made by an investment firm, bank or financial intermediary permitted to conduct such activities in Italy in accordance with the Financial Services Act, CONSOB Regulation No. 20307 of 15 February 2018 Legislative Decree No. 385 of 1 September 1993 (the “**Banking Act**”) and CONSOB Regulation No. 20307 of 15 February 2018, all as amended;
- (ii) in compliance with Article 129 of the Banking Act, as amended from time to time, and the implementing guidelines of the Bank of Italy, as amended from time to time, pursuant to which the Bank of Italy may request information on the offering or issue of securities in Italy; and
- (iii) in compliance with any securities, tax, exchange control and any other applicable laws and regulations, including any limitation or requirement which may be imposed from time to time by, *inter alia*, CONSOB or the Bank of Italy.

Any investor purchasing the Notes will be solely responsible for ensuring that any offer or resale of the Notes it purchased occurs in compliance with any applicable laws and regulations. This Offering Memorandum and the information contained herein are intended only for the use of its recipient and are not to be distributed to any third party resident or located in Italy for any reason. No person resident or located in Italy other than the original recipients of this Offering Memorandum may rely on it or its contents. In any event the Notes shall not be offered or sold to any individuals in Italy in either the primary or the secondary market.

### **France**

Each Joint Lead Manager has represented and agreed that it has only offered or sold and will only offer or sell, directly or indirectly, any Notes in France and it has only distributed or caused to be distributed and will only distribute or cause to be distributed in France, this Offering Memorandum or any other offering material relating to the Notes to qualified investors (*investisseurs qualifiés*) as defined in Article 2(e) of the Prospectus Regulation.

This Offering Memorandum, prepared in connection with the Notes, has not been submitted to the clearance procedure of the French financial markets authority (*Autorité des marchés financiers*).

### **Switzerland**

The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“**FinSA**”) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland.

Neither this Offering Memorandum nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this Offering Memorandum nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

Each Joint Lead Manager has represented, warranted and undertaken that:

- (a) it will not make a public offer of the Notes, directly or indirectly, in Switzerland, as such terms are defined or interpreted under the FinSA except to professional clients as such term is defined or interpreted under the FinSA (“**Professional Investors**”);
- (b) the Notes will not be admitted by it to trading on a trading venue (exchange or multilateral trading facility) in Switzerland; and
- (c) it will not offer, sell, advertise or distribute the Notes, directly or indirectly, in Switzerland, as such terms are defined or interpreted under the FinSA, except to Professional Investors.

Neither this Offering Memorandum nor any other offering or marketing material relating to the offering, nor the Notes, have been or will be filed with or approved by any Swiss regulatory authority. The Notes are not subject to supervision by any Swiss regulatory authority, such as the Swiss Financial Markets Supervisory Authority FINMA, and investors in the Notes will not benefit from protection or supervision by such authority.

### ***Hong Kong***

Each Joint Lead Manager has represented and agreed that:

- (a) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (i) to “professional investors” as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and any rules made under the SFO; or (ii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap 32) of Hong Kong (the “**C(WUMP)O**”) or which do not constitute an offer to the public within the meaning of the C(WUMP)O); and
- (b) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

### ***Japan***

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended (the “**FIEA**”)) and each Joint Lead Manager has represented and agreed that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the account or benefit of, a resident of Japan except pursuant to an exemption from registration requirements of, and otherwise in compliance with the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

### ***Singapore***

Each Joint Lead Manager has acknowledged that the Offering Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore under the Securities and Futures Act 2001, of Singapore as modified or amended from time to time (the “**SFA**”).

Accordingly, each Joint Lead Manager has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Offering Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than:

- (a) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA; or
- (b) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

***General***

No action has been or will be taken in any country or any jurisdiction by the Joint Lead Managers or the Issuer that would permit a public offering of any of the Notes, or possession or distribution of this Offering Memorandum (in preliminary, proof or final form) or any other offering or publicity material relating to the Notes (including roadshow materials and investor presentations), in any country or jurisdiction where action for that purpose is required. Each Joint Lead Manager has agreed that it shall comply (to the best of its knowledge and belief in all material respects) with all applicable laws and regulations and directives in each jurisdiction in which it purchases, offers, sells or delivers any of the Notes or has in its possession or distributes the Offering Memorandum (in preliminary, proof or final form) or any such other material relating to any of the Notes, in all cases at its own expense. Each Joint Lead Manager has also undertaken to ensure that no obligations are imposed on the Issuer or any other Joint Lead Manager in any such jurisdiction as a result of any of the foregoing actions. The Issuer and the other Joint Lead Managers will have no responsibility for, and each Joint Lead Manager has agreed to obtain any consent, approval or permission required by it for, the acquisition, offer, sale or delivery by it of any of the Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. No Joint Lead Manager has been authorised to make any representation or use any information in connection with the issue, subscription and sale of any of the Notes other than as contained in, or which is consistent with, this Offering Memorandum.

**GENERAL INFORMATION**

- (1) It is expected that admission of the Notes to trading on the ISM will be granted on or around 1 April 2025. Notes so admitted to trading on the ISM are not admitted to the Official List of the FCA. The London Stock Exchange has not approved or verified the contents of this Offering Memorandum.
- (2) The Issuer has obtained all necessary consents, approvals and authorisations in the UK in connection with the issue and performance of the Notes. The issue of the Notes and the performance of obligations thereunder was authorised by a resolution of the board of directors of the Issuer passed on 25 February 2025 and a resolution of a committee of the board of directors of the Issuer passed on 13 March 2025.
- (3) The yield to (but excluding) the First Reset Date of the Notes would (if the Notes were to be redeemed on the First Reset Date and if all interest payments were to be paid in full without cancellation) be 7.750 per cent., on a semi-annual basis. The yield is calculated as at the Issue Date on the basis of the issue price. It is not an indication of future yield.
- (4) The Trust Deed provides that the Trustee may rely conclusively without liability to any person and without further enquiry on certificates or reports from any auditors or other parties in accordance with the provisions of the Trust Deed whether or not any such certificate or report or engagement letter or other document in connection therewith contains any limit on the liability of such auditors or such other party.
- (5) There has been no significant change in the financial or trading position of the Group since 31 December 2024, being the date to which the last published audited financial statements of the Issuer were made up. There has been no material adverse change in the prospects of the Issuer or the Group since 31 December 2024, being the date to which the last published audited financial statements of the Issuer were made up.
- (6) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Issuer is aware) during the 12 months preceding the date of this Offering Memorandum which may have or have had in the recent past significant effects on the financial position or profitability of the Issuer or the Group.
- (7) The Offering Memorandum will also be available for inspection on the website of the Regulatory News Service operated by the London Stock Exchange at [www.londonstockexchange.com/exchange/news/market-news/market-news-home.html](http://www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).
- (8) The Notes have been accepted for clearance through the Euroclear and Clearstream, Luxembourg systems. The address of Euroclear is 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium and the address of Clearstream, Luxembourg is 42 Avenue JF Kennedy L-1855 Luxembourg.
- (9) The website of the Issuer is <https://www.aviva.com>. The information on <https://www.aviva.com> does not form part of this Offering Memorandum, except where such information has been specifically incorporated by reference into this Offering Memorandum.
- (10) The following documents will be available at the website of the Issuer at <https://www.aviva.com/investors/>:
  - (i) the Offering Memorandum;
  - (ii) the Trust Deed (which includes the form of the Certificates);
  - (iii) the Memorandum and Articles of Association of the Issuer;
  - (iv) the published Annual Report and Accounts of the Issuer in respect of each of the financial years ended 31 December 2023 and 31 December 2024; and
  - (v) all reports, letters, and other documents, historical financial information, valuations and statements prepared by any expert at the Issuer's request and any part of which is included or referred to in this Offering Memorandum.
- (11) The annual accounts of the Issuer for the last two financial years have been audited:
  - (i) the consolidated accounts of the Issuer for the year ended 31 December 2023 were audited by PricewaterhouseCoopers LLP, Registered Auditor with the Institute of Chartered Accountants in England and Wales, the auditor appointed by the Issuer for the purposes of auditing its consolidated accounts, in accordance with auditing standards and have been reported on without qualification. The report prepared by PricewaterhouseCoopers LLP for the Issuer for the year ended 31 December 2023 contained the following statement: *“This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where*

*expressly agreed by our prior consent in writing.*” The address of PricewaterhouseCoopers LLP is 7 More London Riverside, London SE1 2RT, United Kingdom.

- (ii) the consolidated accounts of the Issuer for the year ended 31 December 2024 were audited by Ernst & Young LLP, Registered Auditor with the Institute of Chartered Accountants in England and Wales, the auditor appointed by the Issuer for the purposes of auditing its consolidated accounts, in accordance with auditing standards and have been reported on without qualification. The report prepared by Ernst & Young LLP for the Issuer for the year ended 31 December 2024 contained the following statement: *“This report is made solely to the company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.”* The address of Ernst & Young LLP is 1 More London Place, London SE1 2AF, United Kingdom.
- (12) The consolidated accounts of the Issuer audited by PricewaterhouseCoopers LLP for the year ended 31 December 2023 and the consolidated accounts of the Issuer audited by Ernst & Young LLP for the year ended 31 December 2024 which are incorporated into this document by reference do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006 (the “Act”). Statutory accounts for the year ended 31 December 2023 have been delivered to the Registrar of Companies in England and Wales. Ernst & Young LLP has made a report under Section 495 of the Act on the last statutory accounts that was not qualified within the meaning of Section 539 of the Act and did not contain a statement made under Section 498(2) or Section 498(3) of the Act.

#### **Joint Lead Managers transacting with the Issuer**

- (13) Certain of the Joint Lead Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for the Issuer and/or its affiliates in the ordinary course of business.

Certain of the Joint Lead Managers and their affiliates may have positions, deal or make markets in the Notes issued, related derivatives and reference obligations, including (but not limited to) entering into hedging strategies on behalf of the Issuer and its affiliates, investor clients, or as principal in order to manage their exposure, their general market risk, or other trading activities.

In addition, in the ordinary course of their business activities, the Joint Lead Managers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer’s affiliates. Certain of the Joint Lead Managers or their affiliates that have a lending relationship with the Issuer routinely hedge their credit exposure to the Issuer consistent with their customary risk management policies. Typically, such Joint Lead Managers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes. Any such positions could adversely affect future trading prices of Notes. The Joint Lead Managers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

- (14) The Issuer’s Legal Entity Identifier (“LEI”) is YF0Y5B0IB8SM0ZFG9G81.
- (15) The International Securities Identification Number (ISIN) is XS3025344386, the common code is 302534438, the FISN is AVIVA PLC/BD PERP REGS and the Classification of Financial Instruments (CFI) is DBFXPR.
- (16) The Ordinary Shares have a premium listing on the Official List of the FCA and are admitted to trading on the Main Market of the London Stock Exchange’s regulated market for listed securities (established in 1698). The FCA is the competent authority in respect of the listing of securities on the London Stock Exchange’s regulated market. Price and trading information is available on the London Stock Exchange’s website which is continually updated with a 15 minute time delay. The trading prices of the Ordinary Shares and daily trading volumes are published on the London Stock Exchange’s website and in the London Stock Exchange’s Daily Official List, as well as on the Issuer’s website. The ISIN of the Ordinary Shares is GB0002162385. Further information about the London Stock Exchange can be obtained from the website of the London Stock Exchange at [www.londonstockexchange.com](http://www.londonstockexchange.com).

**REGISTERED AND HEAD OFFICE OF THE ISSUER**

**Aviva plc**  
80 Fenchurch Street  
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United Kingdom

**SOLE STRUCTURING ADVISOR**

**Citigroup Global Markets Limited**  
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Canary Wharf  
London E14 5LB  
United Kingdom

**JOINT LEAD MANAGERS**

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**HSBC Bank plc**  
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**J.P. Morgan Securities plc**  
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Canary Wharf  
London E14 5JP  
United Kingdom

**Lloyds Bank Corporate Markets plc**  
33 Old Broad Street  
London EC2N 1HZ  
United Kingdom

**NatWest Markets Plc**  
250 Bishopsgate  
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United Kingdom

**TRUSTEE**

**The Law Debenture Trust Corporation p.l.c.**  
Eighth Floor  
100 Bishopsgate  
London EC2N 4AG  
United Kingdom

**ISSUING, PAYING AND CONVERSION AGENT**

**HSBC Bank plc**  
8 Canada Square  
London E14 5HQ  
United Kingdom

**CONVERSION CALCULATION AGENT**

**Conv-Ex Advisors Limited**  
30 Crown Place  
London EC2A 4EB  
United Kingdom

**INDEPENDENT AUDITORS**

*for the financial periods  
prior to 1 January 2024*

**PricewaterhouseCoopers LLP**

7 More London Riverside  
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United Kingdom

*for the financial periods  
commencing 1 January 2024*

**Ernst & Young LLP**

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United Kingdom

**LEGAL ADVISERS**

*to the Issuer*

**Slaughter and May**

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United Kingdom

*to the Joint Lead Managers and the Trustee*

**Linklaters LLP**

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London  
EC2Y 8HQ  
United Kingdom