

Michael Mire

DEED OF IRREVOCABLE UNDERTAKING

To: Friends Life Group Limited (the "Company")
Trafalgar Court
Les Banques
St Peter Port
GY1 3QL
Guernsey

Aviva plc (the "Offeror")
St Helens
1 Undershaft
London
EC3P 3DQ

1 December 2014

Dear Sirs,

Proposed offer for the Company

1 Background

I, the undersigned, understand that the Offeror intends to make an offer to acquire the entire issued and to be issued share capital of the Company (the "Transaction") substantially on the terms and subject to the conditions set out in the attached draft offer announcement (the "Announcement") (subject to such modifications to the Announcement as may be agreed between the Offeror and the Company). Subject to paragraph 5 below, I understand that the Transaction is expected to be implemented by way of a Scheme (as defined below).

2 Irrevocable undertakings

I understand that the Transaction will constitute a class 1 transaction of the Offeror for the purposes of the UK Listing Rules and accordingly will be conditional, inter alia, on the approval of the Offeror's shareholders. In connection with the Transaction, the Offeror will convene a shareholders' meeting (the "GM") to approve, among other things, the Transaction together with any other resolutions deemed necessary or desirable in connection with the Transaction (the "Resolutions"). A circular will be dispatched to the Offeror's shareholders, subject to the approval of the Financial Conduct Authority, setting out, among other things, the terms of the Transaction, the notice of the GM and the full text of the Resolutions (the "Circular").

I, the undersigned, irrevocably and unconditionally undertake, confirm, warrant and in relation to paragraphs 2.1 to 2.3 below, represent to the Company and the Offeror that:

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- 2.1 I am the beneficial owner of (or am otherwise able to control the exercise of) all rights, including voting rights, attaching to all the shares in the Offeror as set out in the first column of the table at Part 1 of Appendix 1 to this deed (together with any shares in the Offeror issued after the date hereof and attributable to or derived from such shares) (the "**Shares**"). I am the holder of share awards granted under the share plans operated by the Offeror (the "**Share Plans**") as set out in Part 2 of Appendix 1 to this deed (the "**Plan Shares**"). The Shares set out in Appendix 1 to this deed represent a complete list of all the shares in the Offeror of which I am the beneficial owner or otherwise able to control the exercise of all rights attaching to them;
- 2.2 I am not interested in any shares or other securities of the Offeror other than the Shares and the Plan Shares;
- 2.3 I have full power and authority to, and (unless the Company otherwise requests me in writing in advance) shall, exercise or abstain from exercising, or where applicable, procure the exercise of or the abstention from, all votes (whether on a show of hands or a poll and whether in person or by proxy) in relation to the Shares in favour of the Resolutions at the GM, or at any adjournment of such meeting;
- 2.4 I shall exercise (and shall procure the exercise of) all voting rights attached to the Shares and any Plan Shares (except any Tax Advantaged Plan Shares) I acquire to vote in favour of the Resolutions at the GM;
- 2.5 I shall, after the despatch of the Circular to the Offeror's shareholders (and without prejudice to my right to attend and vote in person at the GM):
- 2.5.1 return or procure the return of the signed forms of proxy in respect of the GM (completed, signed and voting in favour of the Resolutions) in accordance with the instructions printed on the forms of proxy as soon as possible and in any event within ten (10) days after the date of despatch of the Circular; and
 - 2.5.2 not revoke or withdraw the forms of proxy once they have been returned in accordance with paragraph 2.5.1.
- 2.6 Prior to the Transaction becoming effective or my Obligations (as defined below) terminating in accordance with the terms of this deed, save in respect of any ordinary shares which I beneficially hold, or which are subject to or which I may acquire under any HMRC tax-advantaged Share Plan (the "**Tax Advantaged Plan Shares**"), I shall not, and shall procure that any person holding the Shares shall not:
- 2.6.1 sell, transfer, dispose of, charge, pledge or otherwise encumber or grant any option or other right over or otherwise deal in any of the Shares or any interest in them (whether conditionally or unconditionally), except that I may sell such number of Plan Shares as may be required to cover my liability to income tax and social security contributions arising on the vesting and/or exercise of any award under a Share Plan);
 - 2.6.2 acquire any shares or other securities of the Offeror or any interest (as defined in the Code) in any such shares or securities and, if any such shares, securities or interest (including for these purposes shares arising on vesting of awards or exercise of options under a Share Plan but excluding any Tax Advantaged Plan Shares) are acquired by me, such shares, securities or interest (as the case may be) shall be deemed to be included in the expression "Shares" for the purposes of paragraph 2.1 and therefore treated as Shares for the purposes of this deed;

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- 2.6.3 without the consent of the Company and the Offeror, in my capacity as a shareholder of the Offeror, convene or requisition, or join in convening or requisitioning, any general or class meeting of the Offeror;
- 2.6.4 in my capacity as a shareholder of the Offeror, enter into any agreement or arrangement or allow to arise any obligation with any person, whether conditionally or unconditionally,
- (i) to do any of the acts prohibited by paragraphs 2.6.1 to 2.6.3 (inclusive);
 - (ii) which would or might restrict or impede the Transaction becoming effective, or my ability to comply with this undertaking; or
 - (iii) in relation to, or operating by reference, to the Shares or any interest in them;
- and references in this paragraph 2.6.4 to any agreement, arrangement or obligation shall include any such agreement, arrangement or obligation whether or not subject to any conditions or which is to take effect upon or following the Transaction becoming effective, or being withdrawn or upon or following this undertaking ceasing to be binding or upon or following any other event; and
- 2.7 I shall procure, to the extent that I am legally able, that the registered holder of any Shares (except any Tax Advantaged Plan Shares) of which I am the beneficial owner shall:
- 2.7.1 comply with (and I shall take all actions as may be necessary or desirable in order to enable the registered holder of any such Shares to comply with) the undertakings in this paragraph 2 in respect of the Shares of which I am the beneficial owner; and
 - 2.7.2 not vote in favour of any resolution to approve an acquisition or any other transaction which is proposed by any person which would otherwise hinder or impede the Transaction becoming effective.
- 3 Publicity**
- 3.1 I consent to:
- 3.1.1 the announcement of the Transaction containing references to me and to this deed substantially in the terms set out in the Announcement;
 - 3.1.2 the inclusion of references to me and particulars of this deed being set out in the Scheme Document, Circular and any related prospectus or equivalent document; and
 - 3.1.3 this deed being published on a website as required by Rule 26.1 and Note 4 on Rule 21.2 of the Code or the Listing Rules of the Financial Conduct Authority.
- 3.2 I understand that, in accordance with the Code, dealings by me since the start of the "offer period" (as such term is defined in the Code) in the share capital of the Offeror and the Company (if any) will be contained in the Scheme Document and also that such undertaking will be available for inspection from the date of the publication of the Announcement until the Scheme becomes effective. I undertake to provide you promptly with all such further information in relation to the interests and dealings by me in the share capital of the Offeror and the Company as you may reasonably require to comply with the rules and requirements of the Panel, the Financial Conduct Authority and the London Stock

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Exchange plc, and any legal or regulatory requirements, and, as soon as practicable notify the Offeror in writing upon becoming aware of any change in the accuracy of any such information previously given by me.

- 3.3 I acknowledge that I am obliged to make appropriate disclosure under Rule 2.11 of the Code no later than 12 noon on the business day after becoming aware that I will not be able to comply with the terms of this deed or no longer intend to do so.

4 Termination

This deed shall not oblige the Offeror to announce the Transaction. However, without prejudice to any accrued rights, obligations or liabilities, my Obligations shall terminate and be of no further force and effect if:

- 4.1 the Announcement is not released by 5 December 2014 or such later date as the Offeror and the Company may agree;
- 4.2 the Scheme Document is not published within 28 days of the date of the Announcement (or such later date as the Panel may agree);
- 4.3 the Scheme does not become effective or lapses in accordance with its terms or otherwise becomes incapable of ever becoming effective, provided that the Offeror has not, within seven days of the Scheme having so terminated or lapsed, announced in accordance with Rule 2 of the Code that it intends to implement the Transaction by way of an Offer;
- 4.4 in the event that the Transaction is implemented by way of an Offer, the Offer lapses or is withdrawn; or
- 4.5 the Cooperation Agreement is terminated in accordance with its terms, provided that the termination of my Obligations shall not affect any rights or liabilities under this deed in respect of prior breaches of them.

5 Implementation of the Transaction by way of an Offer rather than a Scheme

- 5.1 I acknowledge that the Offeror shall have the right and may elect at any time (with the consent of the Panel) to implement the Transaction by way of an Offer, as opposed to by way of a Scheme, in the circumstances set out in and subject to the terms of the cooperation agreement entered into between the Offeror and the Company on or around the date hereof (the "**Cooperation Agreement**").
- 5.2 If such an Offer is made by the Offeror in accordance with the Cooperation Agreement, I undertake and warrant that any Obligations shall apply *mutatis mutandis* to such Offer.

6 Enforcement

6.1 Governing law

This deed and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with English law and I agree that the courts of England are to have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this deed and that accordingly any proceedings arising out of or in connection with this deed shall be brought in such courts.

6.2 Specific performance

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Without prejudice to any other rights or remedies which you may have, I acknowledge and agree that damages may not be an adequate remedy for any breach by me of any of my Obligations. You shall be entitled to the remedies of injunction, specific performance and other equitable relief for any threatened or actual breach of any such Obligation and no proof of special damages shall be necessary for the enforcement by you of your rights.

7 Interpretation

7.1 Meaning

In this deed:

- 7.1.1 the "**Code**" means the UK City Code on Takeovers and Mergers;
- 7.1.2 the "**Obligations**" are my undertakings, agreements, warranties, appointments, consents and waivers set out in this deed;
- 7.1.3 an "**Offer**" means an offer by the Offeror for the entire issued and to be issued share capital of the Company within the meaning of section 974 of the Companies Act 2006;
- 7.1.4 references to the "**Panel**" means The Panel on Takeovers and Mergers;
- 7.1.5 references to the "**Scheme**" means the proposed acquisition by the Offeror of the entire issued or to be issued share capital of the Company by way of a court-sanctioned scheme of arrangement under Part VIII of the Companies (Guernsey) Law, 2008, substantially on the terms and subject to the conditions set out in the Announcement; and
- 7.1.6 references to the "**Scheme Document**" means the formal document containing details of the Scheme.

7.2 Unconditional and irrevocable obligations

Except to the extent otherwise specified, the Obligations set out in this deed are unconditional and irrevocable.

7.3 Time

Time shall be of the essence as regards the Obligations set out in this deed.

8 Whole Agreement

This deed contains the whole agreement between us relating to the subject matter of this deed at the date of this deed to the exclusion of any terms implied by law which may be excluded by contract. I acknowledge that I have not been induced to sign this deed by any representation, warranty or undertaking not expressly incorporated into it.

9 Personal Representatives

This deed shall bind my estate and personal representatives.

10 Third Party Rights

A person who is not party to this deed has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this deed but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

IN WITNESS whereof this deed has been executed and delivered as a deed on the date above mentioned.

SIGNED as a DEED by



in the presence of:

Name: ^{K. Bailey} KATHARINE BAILEY
Address: ST HELEN'S, 1 UNDERSHAFT, LONDON, EC3P 3DQ

Occupation: COMPANY SECRETARY

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Appendix 1
Shares to which this deed relates

Part 1

The following represent my current holdings in the Offeror (and those of my spouse, minor children and related companies).

Number of Shares (specify class)	Registered holder* and address	Beneficial owner* and address
7,500 Ordinary 25p shares	Lynchwood Nominees Limited 55 Moorgate London EC2R 6PA	Michael Philip Mire 

* Where more than one, indicate number of shares attributable to each

