

## **Aviva plc – 2012 Annual General Meeting**

### **Chairman's address**

Good morning ladies and gentlemen, and welcome to Aviva's 2012 Annual General Meeting.

I would like to open the meeting by introducing the Board. We constantly keep the composition of the Board under review to ensure that an appropriate balance of skills, knowledge and experience is maintained and there have been a number of changes to renew and refresh its composition since the last Annual General Meeting. I am pleased to say that we have a strong, diverse and committed Board with a wealth of experience that will help to grow the Company in this challenging economic climate.

I was appointed to the Board in January 2005 and became Chairman in January 2006. I am also the Chairman of the Company's Nomination Committee and a member of the Corporate Responsibility Committee. You will be aware that this is my seventh and final Annual General Meeting before I retire from the Board in June. John McFarlane will take my place as Chairman and I will introduce him shortly.

On my far right is Glyn Barker, who was appointed to the Board as a non-executive director in February this year and is a member of the Risk Committee. Glyn is currently also a non-executive director of Berkeley Group Holdings and is a valuable addition to the Board given his previous experience at PricewaterhouseCoopers as a senior advisor to a number of FTSE100 boards on audit, regulatory and transaction issues.

Next to Glyn is Mary Francis, a non-executive director who has served on the Board since October 2005. Mary is a member of the Audit, Nomination and Risk Committees. She is currently also the senior independent director of Centrica and a non-executive director of Cable & Wireless Communications. Mary has extensive experience as a non-executive director across a wide range of industries and has an excellent knowledge of the Aviva Group, having served on the Board for over six years.

Next to Mary, is Michael Hawker, a non-executive director who was appointed to the Board in January 2010. Michael is the Chairman of the Risk Committee and a member of the Audit and Remuneration Committees. He is currently a non-executive director of Macquarie Bank and Macquarie Group. Michael has had a long career spanning nearly 30 years in financial services globally. His experience of risk committees in particular has been invaluable in the review of the Group's risk management framework.

Richard Goeltz was appointed to the Board in May 2004 as a non-executive director and is the Senior Independent Director. He is a member of the Company's Audit and Nomination Committees. Richard is currently a non-executive director of the Warnaco Group, the New Germany Fund, the Central Europe and Russia Fund and the European Equity Fund. Richard has over forty years of global experience in corporate finance, and extensive non-executive experience including of audit and governance committees. Having served on the Board for over six years, he also has a detailed understanding of the Group's operations.

Next to Richard is Patrick Regan, the Chief Financial Officer, who was appointed to the Board in February 2010 having previously held a number of senior management positions at Willis Group, RSA Insurance, AXA Insurance and GE Capital. He is a member of the supervisory board of Delta Lloyd N.V.

Pat has significant senior executive experience within the insurance industry and since joining the Board, has helped develop and execute the Group's strategy in the current challenging macro-economic climate.

To my immediate right is Andrew Moss, the Group Chief Executive. Andrew joined the Board as the Group Finance Director in May 2004 and became the Group Chief Executive in July 2007. He is a member of the Company's Corporate Responsibility and Nomination Committees and a member of the supervisory board of Delta Lloyd N.V. Andrew's clear strategic vision and strong leadership skills have helped Aviva to deliver strong operating performance in our selected markets. He has steered the Group through the challenging macro-economic environment to deliver increased resilience and improved profitability.

To my immediate left is Kirsty Cooper, the Group General Counsel and Company Secretary, who has had a long career at Aviva and who provides support to the executive and the non-executive directors on the Board.

Next to Kirsty is John McFarlane. John was appointed to the Board as a non-executive director in September 2011 and has been the Chairman Designate since the start of this year. He will take over as Chairman when I retire from the Board in June and I wish him every success in the role. John is a member of the Company's Nomination Committee. He is currently also a non-executive director of Westfield Holdings , and Old Oak Holdings . John has substantial international experience in the financial services industry which provides him with the requisite skills for his succession to the chairmanship of the Board.

Next to John is Gay Huey Evans, who was appointed to the Board as a non-executive director in October 2011 and is Chairman of the Corporate Responsibility Committee and a member of the Remuneration Committee. Gay is currently also a non-executive director of the London Stock Exchange and Clariden Leu (Europe) and a director of the Financial Reporting Council. Gay has over 30 years of experience in the financial services industry and has also had valuable experience at the Financial Services Authority, providing the Board with insight on the focus of the Group's main regulator.

Next to Gay is Scott Wheway, who was appointed to the Board as a non-executive director in December 2007. Scott is the Chairman of the Company's Remuneration Committee and a member of the Corporate Responsibility Committee. He is currently a strategic adviser to Best Buy. Scott has a wealth of executive business experience in the retail sector that has helped to shape Aviva's strategy of putting the customer at the heart of business.

We then have Trevor Matthews. Trevor was appointed to the Board in December 2011 as chief executive of Aviva UK. Following the Company's recent announcement, Trevor is now, Executive Director, Developed Markets. Prior to joining Aviva, Trevor held a number of senior management positions at Friends Life, Friends Provident, Standard Life and Manulife. Trevor has an outstanding record of achievement in the insurance industry globally and with over 30 years of executive experience has the in-depth strategic and operational knowledge to help Aviva implement its strategy.

Next to Trevor is Euleen Goh, who was appointed to the Board as a non-executive director in January 2009. Euleen is a member of the Audit and Corporate Responsibility Committees. She is currently a non-executive director of Singapore Airlines, DBS Bank, DBS Group Holdings, Singapore Exchange and CapitaLand. With over 20 years of global senior executive experience in addition to non-executive and board committee experience, Euleen has provided insight into the Group's operations, particularly in the Asia-Pacific region.

Finally, on my far left is Russell Walls, who was appointed to the Board in May 2004 as a non-executive director. He is the chairman of the Audit Committee and a member of the Nomination and Risk Committees. Russell is also currently a non-executive director of Biocon, Signet Jewelers and Mytrah Energy. Russell has extensive non-executive experience, particularly of audit committees. This, coupled with his strong financial background, and detailed knowledge of the Group provide an invaluable asset to the Board.

I should also note a number of departures from the Board since last year's Annual General Meeting. Mark Hodges resigned as a director in June 2011. Carole Piwnica retired from the Board on 1 December 2011, having served nearly nine years as a non-executive director. On 19 April 2012, Igal Mayer resigned from the Board and accordingly Resolution 13 in the Notice of Meeting which deals with his proposed re-election as a director would be of no effect and will be withdrawn. Finally, Leslie Van de Walle stepped down from the Board as a non-executive director yesterday. I would like to thank them all for their hard work and dedication to Aviva.

That completes the introductions, which I hope shows the wealth of expertise and experience held by the Board. Further biographical details of each of the directors are set out in the Notice of Annual General Meeting and separately in the Company's 2011 Annual Report and Accounts and on the Company's website.

I would now like to turn to the Company's performance over the last year.

2011 continued to be as turbulent a year as 2010 with the political and economic agenda being dominated by concerns over the Eurozone and volatile market conditions.

Despite these challenges, and by focusing on our strategy and serving our customers well, I am pleased to report that Aviva continues to perform strongly. The Company beat operating targets and increased profitability with full year operating profit of £2.5 billion, up 6% on a continuing basis.

Our Group Chief Executive, Andrew Moss will take you through the progress we have made later in the meeting. However, I can say that the Board is today recommending a final dividend for 2011 of 16 pence per share, which will bring the total dividend for the year to 26 pence per share, an increase of 2% from 2010.

It is worth stressing that our strong performance this year is built on hard work over the last few years. During my period in office, I have seen the Company transformed from a federation of businesses operating in 30 countries under around 40 brands into a single, focused insurance company. Today we operate in 21 countries, and we only have one brand: Aviva. That is quite an achievement.

We have done more than just build the brand. We have reduced our cost base and our headcount and improved profitability. We've eliminated the pension deficit and deconsolidated Delta Lloyd. As a result we are a stronger, leaner, fitter company, with the flexibility needed to respond to whatever might happen in the marketplace.

And we are also a sustainable company. We truly understand the long term.

When our first customer, James Gilbert of Covent Garden bought house insurance from our founder firm the Hand in Hand insurance company in 1697, he could not have known that we would still be around writing business 12 generations later. Yet we are. It is the nature of our business.

Corporate responsibility is a huge part of sustainability. I am very proud of our community initiatives, one of which is “Street to School”. It’s just one of the things we do to make a material difference. The programme helps children who have fallen through the net of financial and social support. So far we have helped 400,000 children through the programme and are on track to achieving our target of helping 500,000 children by 2015.

Diversity as a whole is also key to sustainability. One aspect of diversity being much-talked about at the moment is gender balance. I am personally involved in the 30% Club - a group of Chairmen committed to increasing female participation at board level to 30% by 2015 - and I support the Group's success at improving gender balance throughout the business as a whole.

I am proud of our achievements over the last 12 months, and the last six years. I am confident that Aviva will continue to prosper in the years to come and I look forward to watching, from the sidelines, as it does.

On behalf of the Board and the executive team, I would like to thank all of our employees for the great job they continue to do every day in delivering our promise to recognise our customers’ needs and to help provide them with prosperity and peace of mind.

Thank you for listening ladies and gentlemen. I will now ask Andrew to comment on the Company’s financial and operational performance during 2011 and to give you the headlines of our strategic approach to 2012 and beyond.



### *Andrew Moss' speech*

Thank you, Andrew.

As detailed in the Notice of Annual General Meeting, the UK Corporate Governance Code recommends that all directors of FTSE 350 companies should be subject to annual re-election by shareholders. Accordingly, all the directors of the Company are submitting themselves for re-election by shareholders today, other than those submitting themselves for election for the first time in accordance with the Company's articles of association. Igal Mayer resigned as a director and therefore will not be seeking re-election at today's meeting. Accordingly, as I mentioned earlier, Resolution 13 will be withdrawn and will not be put to shareholders.

Following an external evaluation of the Board by independent consultancy, Boardroom Review, I have reviewed the performance of each of the directors, excluding myself, and concluded that each director continues to contribute effectively and demonstrates full commitment to his or her duties. My own performance has been reviewed by the executive and non-executive directors of the Company, led by Richard Goeltz, the senior independent director.

The Board is committed to maintaining good corporate governance and, in this spirit, following a competitive tender process, PricewaterhouseCoopers was appointed as auditor of the Aviva Group commencing with the 2012 financial year to fill a 'casual vacancy' in accordance with the Companies Act 2006. As the auditors have to be appointed at each general meeting at which the annual report and accounts are presented to shareholders, Resolution 19 deals with the re-appointment of PricewaterhouseCoopers as the Group's auditor.

As in previous years, the Directors' Remuneration Report is being put to shareholders for approval. The vote on this resolution (Resolution 2) is advisory in order to provide shareholder feedback. Over the last few weeks, we have separately received feedback from a number of our major institutional shareholders concerning certain elements of the Directors' Remuneration Report. While we continue to believe that the proposed levels of remuneration were in the long term interests of shareholders, we are mindful both of the recent developments in attitudes toward executive reward and, particularly, of Aviva's industry leading position as an institutional investor.

We recognise that a number of shareholders feel that we have not reflected their views, and overall shareholder value, in the judgements we made on remuneration and for this the Board and I apologise.

We also recognise that companies need to engage with shareholders on a more proactive basis around the sensitive area of executive remuneration and Aviva will continue to consult and engage with shareholders in this regard.

We believe that we have understood the sentiment of our shareholders, which we intend to respond to and I will now ask Scott Wheway to comment on the specific remuneration issues which have been raised.

### *Scott Wheway speech*

Thank you, Scott.

My fellow directors and I are now happy to answer any questions you may have on the business of the meeting.

As in previous years, to assist the proceedings, shareholders wishing to ask a question today were requested to register at the Question Registration Desk and all questions will now be taken from Question Point A or B. However, may I remind shareholders that questions should relate to the business of the Annual General Meeting. Any questions relating to a personal shareholding or insurance policy are more appropriately dealt with at either the shareholder or policyholder enquiry desks located in the exhibition area outside the auditorium. These desks will remain open after the meeting.

I propose to take all questions relating to the business of the Annual General Meeting in one single session, including any questions on the AGM resolutions themselves. Before you ask your question, could I request that you clearly state your name and whether you are a shareholder. If you are attending on behalf of someone else, please state the name of the shareholder you represent. If you have not registered a question and wish to ask one, please make your way now to one of the Question Points at the front of the hall, taking your AGM poll card with you, or raise your hand and a marshal will assist you.

Can I now take the first question from Question Point A please?

***Take questions from Question Points A and B alternately.***

Thank you for your questions.

Now let us move to the formal part of today's agenda.

The Notice of Annual General Meeting, which includes an explanation for each of the resolutions being proposed today, was made available to shareholders five weeks ago and I hope that you have had ample opportunity to evaluate its contents and consider how you wish to cast your votes in respect of each of the resolutions. With your permission, I will take the Notice of Annual General Meeting as read.

Shareholders are reminded in relation to resolution 4 that, as set out in the Annual Report and Accounts 2011, the final dividend for the year ended 31 December 2011 being recommended by the directors is 16 pence per share, payable on 17 May 2012 to ordinary shareholders whose names were on the Register of Members at the close of business on 23 March 2012. As I mentioned earlier, following the resignation of Igal Mayer from the Board on 19 April 2012, Resolution 13 which proposes his re-election to the Board would be of no effect and accordingly will not be put to the meeting and is withdrawn. Any votes cast in respect of this resolution will be of no effect and will not be counted.

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

Any shareholder, proxy or corporate representative who is entitled to vote will have been given a blue coloured AGM poll card at registration.

Also in line with best practice, the Company has again included a "Vote Withheld" option on the AGM poll cards for those shareholders who wish to draw a distinction between simply not voting and actively indicating that they are withholding their vote, or in other words "abstaining". I must remind you, however, that a "Vote Withheld" is not a vote in law and will not be counted in the calculation of the votes "For" or "Against" the relevant resolution.

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

If there is anyone present who is entitled to vote but who does not have a blue coloured AGM poll card, please raise your hand and a marshal will pass you a card.

***Pause, if AGM poll cards are required to be handed out.***

Does everyone who is entitled to and wishes to vote have a blue coloured AGM poll card?

***Pause***

Accordingly, I now propose formally that each resolution set out in the Notice of Annual General Meeting that was made available to shareholders and listed on the AGM poll cards, other than Resolution 13 which has been withdrawn, and Resolution 16 which relates to my own re-election and will be proposed by Richard Goeltz), be put to the meeting as a separate resolution and that the resolutions 22 to 25, 27 and 28 be put to the meeting as special resolutions.

As resolution 16 concerns my own re-election as a director, Richard Goeltz, the Senior Independent Director, will propose the resolution and I now invite him to take the chair for this item of business.

## *Richard Goeltz proposes resolution*

Thank you, Richard.

Please would you now complete the blue AGM poll card to register the way in which you wish to cast your votes on each separate resolution by putting a cross in one of the boxes marked “For”, “Against” or “Vote Withheld”. I would remind you again that Resolution 13 in respect of the re-election of Igal Mayer has been withdrawn and that there is therefore no need to vote on that resolution.

Please ensure that you have completed the AGM poll card by filling in your full name and address, or the full name and address of the shareholder you represent if you are attending as a proxy or corporate representative. Once completed and signed, the AGM poll card should be placed in one of the black ballot boxes marked “Poll Cards” immediately outside the hall as you leave.

The final results of the voting will be announced to the London Stock Exchange and posted on the Company’s website as soon as possible after the Annual General Meeting has ended.

Finally, I would like to invite you to submit your feedback on today’s meeting. If you would like to submit your comments, please complete the feedback form in the Shareholder Guide, which you received when you registered this morning. You can deposit any completed feedback forms in the yellow boxes provided by the Shareholder Information desk.

Ladies and gentlemen, that concludes today's meeting. I would like to thank you for attending the Company's Annual General Meeting and would be pleased if you would join us in the exhibition area where refreshments will now be served.