SUMMARY OF THE SCHEME

Summary of the terms of the transfer of substantially all of the business of U K Insurance Limited ("UKIL") to Aviva Insurance Limited ("AIL").

1. Background

On 1 July 2025, Aviva plc ("**Aviva**") completed its recommended cash and share acquisition of the entire issued and to be issued share capital of Direct Line Insurance Group Limited ("**Direct Line**").[1] AIL is an indirect wholly-owned subsidiary of Aviva and UKIL is a wholly-owned subsidiary of Direct Line.

As part of the broader programme to integrate the Aviva and Direct Line groups, UKIL is proposing to transfer to AIL the entirety of its general insurance business (subject to a limited set of specific exclusions summarised at paragraph 3 below) as a going concern.

The business transfer will be effected by means of an insurance business transfer scheme (the "**Scheme**") under Part VII of the Financial Services and Markets Act 2000.

This summary provides details of the terms of the Scheme, as required by regulation 3(4) of the Financial Services and Markets Act 2000 (Control of Business Transfers) (Requirements on Applicants) Regulations 2001. The information in this document is only a summary of the Scheme and should not be relied on in place of reading the full version of the Scheme document (the "**Scheme Document**"). Further information in relation to the transfer, including the Scheme Document, is available on our website at *aviva.co.uk/partvii-transfer*. Unless defined in this summary, capitalised terms shall have the meanings given to them in paragraph 1.1 of the Scheme Document.

2. Effect of the Scheme

Subject to the approval of the Court, the Scheme provides for the transfer of substantially all of the business of UKIL, including all insurance policies and the significant majority of its assets and liabilities, to AIL.

The Court hearing for the approval of the Scheme is scheduled for 15 December. Provided the Court approves the Scheme, it will become effective at 23.59 (GMT) on 31 December 2026 (the "**Effective Date**"). The Scheme will lapse unless the transfer occurs before 23:59 hrs (GMT) on 30 June 2027 (or such other date as the Transferor and the Transferee may agree in writing), or such time and/or date as the Court may allow upon application.

Provided the Scheme is approved, AIL will become the insurer of all Transferring Policies and will assume responsibility for all liabilities in respect of the Transferring Policies.

[1] Note: Aviva holds 99.99999574489% of the total equity of Direct Line. The balance is held by a sanctioned shareholder and will transfer automatically to Aviva at such point that the sanctioned shareholders ceases to be sanctioned or upon clearance by the Office of Financial Sanctions Implementation.

3. Scope of the Transfer

On the Effective Date, the whole of the business of UKIL will transfer to AIL, with the exception of certain assets required to be retained in order to meet the solvency capital requirement ("**SCR**") of UKIL and service Direct Line's listed RT1 instruments, which will remain with UKIL.

In addition, certain third-party contracts, property interests and intangible assets which do not sit within UKIL but which are necessary for the continuation of the insurance business of UKIL, and therefore for the full and effective implementation of the Scheme, are to be transferred under the Scheme.

4. The Jersey Transfer

UKIL's business includes insurance policies written in or from within Jersey, which will require the approval of the Royal Court of Jersey (the "**Jersey Court**") under a separate Jersey Scheme.

The terms of the Jersey Scheme will be similar in nature to those of the Scheme, as such, where the context allows, this summary applies equally to the Jersey Scheme, save that the Jersey Scheme:

(A) will be subject to approval of the Jersey Court;

(B) will be carried out pursuant to the Insurance Business (Jersey) Law 1996;

(C) will be governed by Jersey law; and

(D) the relevant regulator will be the Jersey Financial Services Commission.

The hearing for the sanction of the Jersey Scheme has been scheduled for 18 December 2026. If approved, the Jersey Scheme will take effect at the same time as the Scheme, on the Effective Date. The Jersey Scheme is conditional on the approval of the Scheme by the Court. If the Court does not approve the Scheme, the Jersey Scheme will not take effect (though for the avoidance of doubt, if the Court approves the Scheme but the Jersey Court does not approve the Jersey Scheme, the Scheme will still take effect on the Effective Date).

5. Residual Business

The Scheme contains provisions dealing with certain policies, contracts, assets and liabilities which, for whatever reason, cannot be transferred on the Effective Date, or in respect of which UKIL and AIL agree the transfer should be delayed. These are referred to as Residual Policies, Residual Contracts, Residual Assets and Residual Liabilities in the Scheme Document. Under the Scheme, any Residual Business will be transferred once it is possible to do so. The Scheme also contains provisions which allow Sanctioned Policies to transfer after the Effective Date if the relevant prohibition on transfer ceases to apply or all required consents, orders, permissions or other requirements for the transfer of the Sanctioned Policy have been obtained.

In the event that the Jersey Court does not approve the Jersey Scheme by the Effective Date, then the Jersey Policies will constitute Residual Policies.

One sanctioned UKIL policyholder has been identified, whose policy will accordingly remain in UKIL as a Residual Policy. Aside from this, it is not envisaged that there will be any Policies that will not transfer on the Effective Date, but it is standard practice for insurance business transfer schemes to cater for the potential for certain policies not to transfer on the effective date. If, for any reason there are any Residual Policies, these will be reinsured by AIL under a reinsurance agreement between UKIL until they are able to transfer at a Subsequent Transfer Date.

6. Continuity of Proceedings

Any pending, current or future Proceedings (including administrative or regulatory processes, arbitrations and complaints to ombudsmen), in connection with the Transferring Business and to which UKIL is a party, will be continued or commenced by, against or with AIL after the Effective Date (or Subsequent Transfer Date, as applicable). Any judgment, settlement, order or award obtained by or against UKIL in respect of the Transferring Business, which is not fully satisfied before the transfer occurs, will become enforceable by or against AIL.

7. Premiums, Mandates and other Payments

From the Effective Date (or Subsequent Transfer Date, as applicable), any premiums payable to UKIL in respect of the Transferring Business shall be payable to AIL. Any mandates or other instructions in force (including direct debits and standing orders) providing for the payment of premiums to UKIL shall take effect as if they had authorised such payment to AIL.

8. Data Protection

AIL will succeed to all rights, liabilities and obligations of UKIL in respect of personal data relating to the Transferring Business and will become the data controller of such information. UKIL will also be under the same duty as AIL to respect the confidentiality and privacy of that information. Additionally, from the Effective Date, AIL will have the benefit of Marketing Consents received by UKIL or any member of UKIL's Group (to the extent that UKIL has the benefit of such Marketing Consents).

9. Amendment of the Scheme

The Scheme provides that it may be amended at any time after it has been approved by the Court, by application to the Court, provided that the PRA and FCA have been notified of the application and a certificate is obtained from an independent expert who is approved by the PRA (having consulted with the FCA), confirming that in their opinion (having considered the proposed amendments in the round), the proposed amendments to the Scheme will not have a material adverse effect on the Policyholders of the Transferee.

10. Governing Law

The Scheme is governed by the laws of England and Wales.