



## Return of Capital by way of a B share scheme and share consolidation

### **This letter is important and requires your immediate attention.**

This letter does not take into account the investment objectives, financial situation or needs of any particular person. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, fund manager, solicitor, accountant or other appropriate independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (FSMA) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.

If you sell or have sold or otherwise transferred all of your Ordinary Shares, please send this letter as soon as possible to the purchaser or transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected, for delivery to the purchaser or transferee. If you sell or have sold or otherwise transferred part only of your holding of Ordinary Shares, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected. However, this letter should not be forwarded to or sent in or into any jurisdiction in which to do so would constitute a breach of the relevant laws of such jurisdiction.

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# Chair's Letter

11 April 2022

## Dear Shareholder

### Publication of the B share scheme circular

On 2 March 2022, the board of Aviva plc (Aviva) announced a return of capital of £3.75 billion to the holders of its Ordinary Shares (the Shareholders) by way of a B share scheme, involving the bonus issue of new B shares to Shareholders which Aviva will subsequently redeem for cash (the B Share Scheme). The return of capital will equate to approximately 100 pence per Ordinary Share (subject to change, full details of the B Share Scheme (including mechanics, eligibility, consolidation ratio and proceeds) are set out in a shareholder circular, as outlined below). The B Share Scheme remains subject to shareholder approval and customary conditions, including but not limited to no material deterioration in market conditions or the financial position of Aviva. A general meeting of the Shareholders to approve the proposed return of capital will take place on 9 May 2022 with facilities to attend electronically (the General Meeting).

### Notice of Availability

Aviva is pleased to confirm that the B Share Scheme circular published earlier this month (the Circular), and a more detailed question and answer document regarding the B Share Scheme (the Q&A Document) are now available to view and download on Aviva's website at **[www.aviva.com/return-of-capital](http://www.aviva.com/return-of-capital)**. You should also receive a Form of Proxy alongside this letter.

I would like to draw your attention to the 'action to be taken' section in Part I of the Circular for details of how to vote and the relevant deadlines for appointing a Proxy and providing voting instructions. This letter is not to be taken as a summary of the information in the Circular and should not be regarded as a substitute for reading the Circular.

### Background

The B Share Scheme is intended to enable all Shareholders to participate equally in the return and to provide capital treatment for most UK tax resident Shareholders. To maintain comparability, so far as possible, between the market price per Ordinary Share before and after the implementation of the B Share Scheme, and to reflect the value that will be returned to Shareholders, it is proposed that the B Share Scheme be accompanied by a consolidation of Aviva's share capital (the Share Consolidation). Shareholders should refer to the ratio for the Share Consolidation as set out in the Circular.

By way of reminder, the illustrative consolidation ratio published on 2 March 2022 in Aviva's results announcement and announcement on the proposed return of capital to shareholders, was for indicative purposes only and based upon the average market capitalisation of Aviva over the last five trading days in February 2022, adjusted for the 2021 final dividend. Subject to unforeseen events (with the directors of Aviva retaining absolute discretion to determine the final ratio, including by reference to share price movement), the Share Consolidation will proceed on the basis of the ratio set out in the Circular (and not on the basis of that earlier illustrative ratio).

As all ordinary shareholdings in Aviva will be consolidated, the number of Ordinary Shares held by each Shareholder will reduce. However, Shareholders' percentage holdings in the issued Ordinary Share capital of Aviva will (save in respect of fractional entitlements) remain unchanged immediately following the Share Consolidation. Similarly, although the nominal value of each Ordinary Share may change, the New Ordinary Shares will be equivalent in all other respects to the Existing Ordinary Shares, including their dividend, voting and other rights as set out in Aviva's Articles of Association.

Fractional entitlements arising from the Share Consolidation will be aggregated and sold in the market on behalf of such Shareholders. Net proceeds of the sale (after deduction of all expenses and commissions incurred) are expected to be distributed pro rata to entitled Shareholders by 31 May 2022. The value of any one Shareholder's fractional entitlement will not exceed the value of one New Ordinary Share. For more information on the treatment of fractional entitlements, please refer to paragraph 6 of Part II of the Circular and the Q&A Document.

Application will be made to the FCA and the London Stock Exchange, respectively, for the New Ordinary Shares resulting from the proposed Share Consolidation to be admitted to the premium segment of the Official List and to trading on the London Stock Exchange's main market for listed securities in place of the Existing Ordinary Shares. It is expected that dealings in the Existing Ordinary Shares will continue until 4.30pm on 13 May 2022 and that admission of the New Ordinary Shares will become effective and dealings in them will commence on the London Stock Exchange at 8am on 16 May 2022 (the Admission Date).

Share certificates representing the New Ordinary Shares will be issued following the Share Consolidation and sent to Shareholders by 27 May 2022. Shareholders who hold their Existing Ordinary Shares in CREST will automatically have their New Ordinary Shares credited to their CREST account. The relevant CREST accounts will be credited on the Admission Date.

The B Shares will not be admitted to listing on the Official List or admitted to trading on the London Stock Exchange's main market for listed securities, nor will they be listed or admitted to trading on any other recognised investment exchange. The B Shares will not be transferable, save in the very limited circumstances set out in Part III of the Circular. No share certificates will be issued in respect of the B Shares and the B Shares will be cancelled on redemption. Part II of the Circular sets out further details of the B Share Scheme and Part III of the Circular sets out the rights and restrictions attaching to the B Shares.

The Record Time for entitlement to B shares and the Share Consolidation is expected to be 6pm on 13 May 2022. Under the terms of the B Share Scheme and assuming the Resolutions are passed at the General Meeting (and subject to customary conditions including but not limited to no material deterioration in market conditions or the financial position of Aviva), each Shareholder will receive one B Share for each Existing Ordinary Share held at the Record Time. It is expected that Shareholders entitled to receive payments in respect of the proceeds of the redemption of the B Shares will receive payment on or before 31 May 2022.

### **Recommendation**

The Board considers the return of capital by way of the B Share Scheme and the accompanying Share Consolidation to be in the best interests of Aviva and the Shareholders as a whole. Accordingly, the Board unanimously recommends that Shareholders vote in favour of each of the Resolutions, as the Directors intend to do in respect of their own individual beneficial holdings.

Yours sincerely



**George Culmer**

Chair

## Questions and Answers

### **Is there a meeting to approve the B Share Scheme? How do I vote?**

As noted above, the B Share Scheme requires the approval of Shareholders, which is being sought for the Resolutions to be considered at the General Meeting on 9 May 2022. A detailed explanation of the Resolutions is set out at paragraph 13 of Part II of the Circular. Whether or not you intend to be present at the General Meeting, we would encourage Shareholders to vote on the Resolutions being proposed at the General Meeting by completing and returning the Form of Proxy (providing voting instructions) in accordance with the instructions provided or to register the appointment of a proxy electronically or, if you hold Existing Ordinary Shares in CREST, to complete and transmit a CREST Proxy Instruction.

Completed Forms of Proxy should be returned to Aviva's registrar, Computershare Investor Services PLC, at The Pavilions, Bridgwater Road, Bristol, BS99 6ZZ using the prepaid envelope provided, and the submission of an electronic proxy registration or CREST Proxy Instruction should be made as soon as possible and, in any event, so as to be received no later than 3:30pm on 5 May 2022. The prepaid envelope will not require a stamp if posted in the UK.

The completion and return of a Form of Proxy or the submission of an electronic proxy registration or CREST Proxy Instruction will not prevent you from attending the General Meeting and voting and speaking in person if you so wish and are so entitled.

### **What is the impact of the B Share Scheme and Share Consolidation on the value of my Ordinary Shares?**

The purpose of the Share Consolidation is to try to ensure that (subject to fractional roundings) the market price of each New Ordinary Share immediately following the implementation of the B Share Scheme is broadly the same as the market price of each Existing Ordinary Share immediately beforehand.

In addition, you will continue to own the same proportion of the issued share capital of Aviva (subject to fractional entitlements) as you did immediately prior to the implementation of the B Share Scheme. Under the proposed Share Consolidation, the Existing Ordinary Shares in Aviva will be consolidated and redesignated so that Shareholders will receive a specified number of New Ordinary Shares for each of the Existing Ordinary Shares held at the Record Time, which will be set out and detailed in the Circular.

Expressed as a percentage, the reduction in the number of Ordinary Shares as a result of the Share Consolidation is broadly equivalent to the percentage of Aviva's market capitalisation which is proposed to be returned to Shareholders under the B Share Scheme. Therefore, the value of your holding of New Ordinary Shares plus the amount to be returned per Existing Ordinary Share held at the Record Time through the B Share Scheme should, subject to market fluctuations, approximately equal the value of your holding of Existing Ordinary Shares before the B Share Scheme.

An approximate indication of the number of New Ordinary Shares that a Shareholder will receive as a result of the Share Consolidation can be calculated using the B Share redemption and share consolidation calculator which will be available on Aviva's website at **[www.aviva.com/return-of-capital](http://www.aviva.com/return-of-capital)**. Please note that the calculator tool has been prepared to provide an approximate indication to you, and although utmost care has been taken in doing so, Aviva strongly recommends that you do not rely on it solely and Aviva does not guarantee the accuracy or certainty of the calculations.

### What do I need to do?

To participate in the B Share Scheme, you are not required to take any action. This will apply automatically to any Existing Ordinary Shares you hold at the Record Time (if approved by shareholders). However, you are encouraged to read the Circular and other information available online at **[www.aviva.com/return-of-capital](http://www.aviva.com/return-of-capital)** and vote at the General Meeting if you are a Shareholder who is entitled to attend and vote.

Additionally, you should ensure your personal details, held by Aviva's Registrar, Computershare, are accurate and current to ensure no delay in the delivery of your B Share redemption payment and New Ordinary Share certificate. **Aviva will only make B Share redemption payments directly into a nominated bank or building society account.** Participants in the Dividend Reinvestment Plan (the DRIP) should note that the DRIP will not apply to the B Share redemption payment and DRIP participants should ensure Computershare have a current payment instruction.

You can register a payment instruction online by visiting **[www.computershare.com/AvivaInvestorCentre](http://www.computershare.com/AvivaInvestorCentre)** or calling the Aviva Shareholder Helpline as outlined below. Where Computershare have not received an instruction at the time of a payment, your payment will be held by Computershare until you have completed a valid instruction. No interest is payable on any payment held for you in this way.

### What is the expected timetable?

We expect payments to be made to entitled shareholders by the end of May 2022. Please refer to the expected timetable in the Circular that sets out further details of the key events and the proposed timetable.

**If you have any questions about the B Share Scheme or the Share Consolidation, please contact the Computershare Shareholder Helpline:**



**By telephone: 0371 495 0105**

We're open Monday to Friday, 8.30am to 5.30pm UK time, excluding public holidays. Please call +44 117 378 8361 if calling from outside the UK.



**By email:**

**AvivaSHARES@computershare.co.uk**



**Online:**

**[www.computershare.co.uk/contactus](http://www.computershare.co.uk/contactus)**



**In writing:**

**Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ, United Kingdom**

Calls may be recorded and randomly monitored for security and training purposes. For legal reasons, the Shareholder Helpline will be unable to give advice on the merits of the B Share Scheme or the Share Consolidation or to provide financial, tax or investment advice.

Terms used in the enclosed letter and this Questions and Answers document and not defined herein have the meaning given to them in the Circular. Unless otherwise stated, all references to time in this letter are to UK time.



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