The Aviva Matching Share Plan

Frequently Asked Questions

Section 1 – Joining the Matching Share Plan

Am I eligible to participate in the Matching Share Plan?

You are eligible to participate in the Plan provided that you are a UK resident taxpayer and you are an employee of a Participating Company. The Participating Companies are currently Aviva Employment Services Limited and Aviva Investors Employment Services Limited. You cease to be eligible to participate if you cease being UK tax resident, or cease being employed by a Participating Company. All participants are eligible to be awarded Matching Shares on the same terms as each other.

How does joining the Plan affect my monthly Save As You Earn contract

The Matching Share Plan has no implications for the SAYE scheme. You can continue to contribute to your savings plans and can join the Matching Plan in or after April 2013 applying the same contribution levels as people who are not in the SAYE scheme.

I work part-time. Will I be able to participate in the Matching Share Plan?

Yes, subject to the same limits as full-time employees, meaning that you can buy shares with gross salary using 10% of pay, capped at £125 per month, with Matching Shares awarded based on the first £5 to £40 of shares bought each month.

What happens if I am on maternity leave or long term sick leave?

You will be able to continue to participate in the Plan provided you are being paid salary, maternity pay or sick pay through payroll. Your monthly contributions cannot exceed either £125 or 10% of your monthly pay, whichever is the lower. Where these limits would otherwise be breached, your contribution will be scaled down accordingly. There is currently no opportunity under the Plan for you to make up for missed or reduced contributions at a later date when you return to full pay.

How do I apply to join?

1. Simply log-in to the Aviva Share Plans website at www.computershare.com/avivashareplans using your Shareholder Reference Number (SRN), shown above and your PIN. If you have forgotten your PIN you can obtain it by clicking on the forgotten PIN link on the site and follow the online instructions.
2. On the Employee Portfolio page you will see your invitation to join the Plan. To the right hand side of the screen there are two links available to you:
    - The first link, 'View Details', will take you to the page where you can view the Plan Brochure along with your personal savings limits.
    - The second link, 'Apply', will take you through the enrolment process where you will be asked to confirm your acceptance of the Terms and Conditions of the Plan before entering your enrolment information.
3. Decide how much you want to contribute between £5 and £125 each month, remembering you can change this at any time;
4. Choose between either cash dividends or having your dividends reinvested;
5. Submit your instruction by following the steps on the screen;
6. You will then receive a confirmation email that you have joined the Plan and you can start to watch your shares accumulate from the first share purchase date.

If you would like to join in time for the first purchase of shares from your April pay you must have submitted your online application by no later than **5pm on Friday, 5 April 2013.** Remember, you can join and change your contribution to the Plan at any time during the year.

Section 2 - Dividends

Am I entitled to any dividends on my shares held in the trust?

Yes, you are:

- You will be entitled to any dividends that may be declared by Aviva on all the shares held for you in the trust on the Record Date.
- When you apply to join the Matching Share Plan you will be asked to elect whether you wish to receive any future dividends on shares held in the trust in the form of cash or as additional shares (Dividend Shares). This election will apply to all the shares held in the trust, including those already purchased or awarded through the Share Investment Plan or Free Share Award Scheme. **Once you have made this election, you will not be able to amend your choice whilst the shares remain held in the trust.**
- If you elect for Dividend Shares, any cash dividend to which you are entitled will be used by the Trustee to purchase Dividend Shares for your benefit. Any cash left over will be carried forward to the next dividend date.
- Dividend Shares are subject to a three year holding period and after this holding period can be withdrawn from the trust free of income tax, NIC and CGT, and therefore carry tax advantages for higher and additional rate taxpayers. The only exception to this rule is if you leave Aviva. Please see the section on Leaving Aviva for more information.
- Dividend Shares will also carry entitlement to dividends which will be received in the same manner as dividends on other shares held in the trust.
- Cash dividends will either be paid directly into your nominated bank account or by cheque.
- As a shareholder, you will also be entitled to instruct the Trustee on how to vote at any shareholder meetings (such as Aviva's Annual General Meeting) on your behalf. You will be contacted by Aviva or the Trustee at such times.

When are dividends paid?

Dividends are usually paid by Aviva in May and November.

What is a Dividend Share?

Any dividend paid on shares held in the trust can be reinvested into further Aviva shares for you. These are called Dividend Shares.

Dividend Shares will be allocated to you by the Trustee, within 30 days of the Trustee receiving the cash dividend.

You will not be able to sell or transfer your Dividend Shares within three years of the allocation date (unless you leave Aviva).

At the time of drafting, there is an annual limit of £1,500 on the amount of dividends that can be reinvested into Dividend Shares. The Government has issued draft legislation to remove this limit and if enacted there will be no annual limit to any dividends paid after 6 April 2013.

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Section 3 – Tax and National Insurance

What is the tax and NIC treatment if I decide to sell my shares?

The income tax and NIC treatment depends on when shares are sold or transferred from the trust, as illustrated below:

Your shares are:	What happens:
Taxable/forfeitable Less than three years after the Share Purchase Date	Income tax and NIC[1] will be due on the market value of your Partnership Shares at the time when you take them out of the trust. Matching Shares and Dividend Shares cannot be removed from the trust for at least three years while you remain employed by Aviva. Matching Shares are forfeited if the corresponding Partnership Shares are withdrawn or sold within three years of the Share Purchase Date, while you remain employed by Aviva. Dividend Shares are not subject to forfeiture.
Taxable More than three years but less than five years after the Share Purchase Date	Partnership Shares and Matching Shares are liable to income tax and NIC on the lower of (a) the price paid to purchase your shares; and (b) their market value on the day you transfer or sell them from the trust. Matching Shares are not subject to forfeiture if held in the trust for more than three years, and can also be sold or transferred from the trust on the same basis as Partnership Shares. However, if the Matching Shares are withdrawn or sold from the trust less than five years from the Share Purchase Date, income tax and NIC will be due on the lower of (a) the market value on the date of award; and (b) the market value on the day you withdraw or sell them. Dividend Shares can be withdrawn from the trust after three years free of income tax and NIC.
Non taxable More than five years after the Share Purchase Date	You can withdraw your Partnership and Matching Shares from the trust completely free of income tax and NIC.

How and when does CGT apply?

If, after five years you choose to sell your shares directly from the trust, you will have no UK CGT liability. However, if you withdraw your shares from the trust and sell them at a later date for more than their value when withdrawn from the trust, you may be liable to CGT.

CGT would apply if your total chargeable gains in the tax year exceed the annual CGT exempt amount (currently £10,600[2]).

[1] Income tax and employee NIC will be deducted and accounted for through PAYE, as appropriate, and are normally funded by the sale of shares. An individual's personal circumstances may result in either additional tax being payable or a refund of tax overpaid arising.
[2] This information is correct at the time of printing and reflects the tax position during the 2012/2013 tax year.

It is your responsibility to declare and pay any CGT to HMRC – Aviva does not have any reporting or withholding responsibility in relation to your chargeable gains.

The Plan and State Benefits?

For a few employees, contributions to the Plan may affect their entitlement to State pension benefits, statutory sick pay, statutory maternity allowance and any means-tested benefits or tax credits. This will particularly apply if, because of your Plan contributions, your gross earnings (i.e. before tax) are reduced below the National Insurance Lower Earnings Limit (£5,564 per year, for the 2012-13 tax year).

More detailed information about this is available in the HM Revenue & Customs ('HMRC') booklet IR177, on the HMRC website at www.hmrc.gov.uk.

If you think that this may affect you, please speak with Payroll before joining the Plan.

Who can advise me on my personal tax position?

This brochure is for guidance only. Personal circumstances may affect your tax position and if you are in any doubt you should contact your Tax adviser or an Independent Financial Adviser. You can also get advice and support from the HMRC website.

Aviva, the Plan Administrator and the Trustee are not permitted to give investment advice.

Section 4 - Your Aviva Matching Share Plan

How do I get shares and how will my contributions be held?

The Trustee buys Partnership Shares on your behalf and awards Matching Shares on a monthly basis. Aviva will pay the costs associated with buying Partnership and Matching shares. Your monthly contributions are paid to Computershare and held in a non-interest bearing account until used to buy Partnership Shares and the Matching Shares. These shares will then be held on your behalf in the trust.

How many shares will be bought/awarded and when?

The number of Partnership Shares that will be bought will be calculated by dividing your monthly contribution amount (including any rolled over excess contributions) by the market value of Aviva shares on the Share Purchase Date. Matching Shares will be awarded on the same day on a two-for-one basis in respect of the first £5 to £40 a month of Partnership Shares bought (e.g. if you contribute £7 and the share price is £3.50, two Partnership Shares will be bought and four Matching Shares will be awarded on the next Share Purchase Date).

The law requires that Partnership Shares are bought for your benefit within 30 days of your monthly contribution amount being deducted from your pay. We would ordinarily expect shares to be bought around the 22nd of the month following the deduction of your contribution from your pay.

Dividend Shares are purchased by dividing the cash dividend you would otherwise have received by the share price – any cash left over and not able to be used to purchase one additional Dividend Share will be rolled over and added to the next dividend.

Are there any limits to my monthly contribution amount?

You can contribute between £5 and £125 per month, or up to 10% of your gross monthly pay if this is less than £125.

All Partnership Share deductions must be in whole pounds. All deductions are taken directly from your gross pay by payroll, before tax and NIC is deducted.

In the event that you contribute more than the above limits, any excess will be repaid to you as soon as possible, subject to appropriate income tax and NIC withholding.

Can I change my mind once I've joined? Can I change, stop or postpone my monthly contributions?

• You can stop, re-start or change your monthly deductions at any time but the change will only be effective once the details have been passed from Computershare to payroll (see below).

• You cannot make up for missed monthly deductions at a later date.

• To make changes you should log-in to the Aviva Share Plans website at **www.computershare.com/avivashareplans**.

• Any change submitted by the fifth day of the month will be applied to the deduction in the same month. Any change instruction received on or after the sixth day of the month will be applied in the following month.

If you have any problems, you can call the Aviva Share Plans helpline on **0871 495 0105** for further assistance.

How can I keep track of how many shares I hold?

• To view your Aviva shares under the Matching Share Plan, simply log into the Aviva Share Plans site at **www.computershare.com/avivashareplans**. All shares held in the trust (and shares previously received through the Free Share Award Scheme and Share Investment Plan) will be shown on your portfolio under the 'AESOP' link. You may see the following shares held in your account:

- **Partnership Shares** – any shares purchased with your monthly contributions, either through the Matching Share Plan or the former Share Investment Plan
- **Matching Shares** – the shares awarded by Aviva on a two-for-one basis.
- **Dividend Shares** – any shares purchased with any dividends on your Plan shares
- **Free Shares** – any shares awarded to you through the former Free Share Award Scheme
- **Unrestricted Shares -** any of the shares referred to above that have ceased to be subject to income tax and NIC

An annual statement confirming the number of Aviva shares held for you in the trust, the purchase price, and details of any associated Matching Shares will be sent to you, usually in May each year. This will be provided electronically.

Can I lose out by joining the Plan?

The value of your share holding will be affected by fluctuations in the Aviva share price. As with all shares, the value of Aviva shares can go down as well as up and therefore you could receive less than your total contributions when you sell your Aviva shares.

However, the income tax and NIC benefits and the Matching Shares will reduce the impact of a falling Aviva share price. You will need to keep your Partnership Shares in the trust for at least three years from the Share Purchase Date to retain the Matching Shares while you remain employed by Aviva, and for at least five years to secure the tax and NIC benefits. Dividend Shares cannot be withdrawn from the trust for three years from the date that the

Dividend Shares are allocated to you by the Trustee. This allocation date will be within 30 days of the Trustee receiving the cash dividend.

If you are in any doubt as to whether this type of investment is appropriate for your individual circumstances, you should consult an Independent Financial Adviser duly authorised under the Financial Services and Markets Act 2000.

Section 5 – Aviva SAYE

I am already participating in the Aviva SAYE what are the benefits of the Aviva SAYE?

At a glance benefits:

- Save a fixed amount that suits you, from as little as £5 up to £250 each month, deducted directly from your net monthly salary for a term of either 3 or 5 years.
- The opportunity to exercise an option to buy Aviva shares at the end of your chosen contract term for 20% less than the share price at the start of the invitation period.
- Have piece of mind with the ability to withdraw your money from the Aviva SAYE at any time or have the full value of your savings returned at the end of the contract.

Can I contribute towards the Aviva SAYE and the new Plan?

Yes up to the limits outlined in the FAQ's above. The Aviva SAYE and the new Matching Share Plan are two separate Plans.

Section 6 – Keeping my details updated

How do I update Computershare with my new name, address, bank details, or email address details?

Change of name
You will need to update your new name details on Workday. However, this will not automatically update your Aviva Share Plan information. **In order for this information to be updated also, you will need to send Computershare a copy of the legal evidence proving your change of name (e.g. a marriage certificate) to**
Computershare Plan Managers, Bridgwater Road, Bristol BS99 6AP.

If you have any queries please call the Aviva Share Plans helpline on 0871 495 0105.

Home address details
Payroll will advise Computershare of any changes to your home address via a monthly maintenance file sent to them.

In order for this to be completed, you will need to update your home address on Workday. For guidance on how to update your personal details on Workday, please refer to the Workday Online Guides.

Bank details
Any changes you make on Workday regarding your bank details will not be provided to Computershare. **If you wish to change the bank account to which your cash dividends are paid, or your bank account changes, you will need to inform Computershare via the Aviva Share Plans site.** To do this, log into the site and then click on the Update your Bank Details button on the right hand side of the Portfolio page and then follow the online instructions.

Email address
Any changes you make on Workday regarding your email address will not be provided to Computershare. **If you wish to change the email address to which share plan**

communications are sent, or your email address changes, you will need to inform Computershare via the Aviva Share Plans site.

Log into the site and then click on the Update your Email Address button on the right hand side of the Portfolio page and then follow the online instructions.

Section 7 - Leaving Aviva

What happens if I leave Aviva?

If you leave the Aviva Group, you will no longer be able to participate in the Plan. Any monthly contributions which cannot be used to purchase Aviva shares will be repaid to you through payroll, after income tax and NIC have been deducted.

Any shares (including shares which are subject to a holding period, i.e. Matching Shares and Dividend Shares held in the trust for less than three years) already held on your behalf will be withdrawn from the trust and transferred into your name unless you instruct the Trustee to sell your shares for you. In the event that a tax and/or NIC liability arises and you do not indicate otherwise, sufficient shares will be sold to ensure that any amount that should be deducted is fully funded by the sale of Plan shares.

If you leave for one of the following reasons:

- injury or disability;
- redundancy;
- retirement on or after reaching the age of 60;
- TUPE transfer[2];
- where the company in which you are employed ceases to be a part of the Aviva Group; or
- death

your Partnership Shares, Matching Shares and Dividend Shares will be released to you free of income tax and NIC.

If you leave for any other reason, any Partnership Shares or Matching Shares held for less than five years will be subject to income tax and NIC Computershare will contact you to confirm how you wish this to be paid. Dividend Shares will be taxable as if you had received a cash dividend on the date that the Dividend Shares are released from the trust; the trustees would supply you with a statement that includes details of the amount of the dividend and the tax credit. If you are a basic rate taxpayer on the release date then there will be no additional tax to pay.

Regardless of the reason for your leaving Aviva or how long the shares have been held since the Share Purchase Date, you will not lose your Partnership Shares, Matching Shares or Dividend Shares.

[2] Transfer of Undertakings (Protection of Employment) Regulations 2006 applies.

Section 8 – More information

How do I find out more about the Plan?

If you need further information please contact Computershare:

By email: AvivaAESOP@computershare.co.uk

By telephone: 0871 495 0105
Lines are open from 8.30am to 5.30pm (UK time), Monday to Friday (excluding public holidays).
Please call +44 117 378 8361 if calling from outside of the UK.

Important notes

This FAQ document summarises the Matching Share element of the Aviva All Employee Share Ownership Plan (the AESOP). A copy of the Trust Deed and rules are available on the Aviva Share Plans website www.computershare.com/avivashareplans and reflects Aviva's understanding of the legislation in force at 21 January 2013. Whilst every effort has been made to ensure the accuracy of this FAQ document, if there is any conflict between the contents of this document and the rules of the AESOP and the applicable legislation, the rules of the AESOP and the applicable legislation take precedence.

Please also note that the comments in this document relating to the tax consequences of participating in the Plan are general in nature and not intended to constitute tax advice, and relate only to individuals who are UK resident at all times between the award of shares under the Plan and the shares being withdrawn from the Plan. Aviva and the Trustee cannot accept responsibility for changes to the current legislation or treatment, or for the effects of future legislation. Tax liability depends on individual circumstances. Please seek independent financial advice if you are unsure whether the Plan has any tax consequences or whether it is appropriate for you to participate in this element of the Plan.