

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. THIS DOCUMENT CONTAINS A PROPOSAL WHICH, IF IMPLEMENTED, WILL RESULT IN THE CANCELLATION OF THE LISTING OF DIRECT LINE SHARES ON THE EQUITY SHARES (COMMERCIAL COMPANIES) CATEGORY OF THE OFFICIAL LIST AND TRADING OF DIRECT LINE SHARES ON THE LONDON STOCK EXCHANGE'S MAIN MARKET FOR LISTED SECURITIES. PART II (EXPLANATORY STATEMENT) OF THIS DOCUMENT COMPRISES AN EXPLANATORY STATEMENT IN COMPLIANCE WITH SECTION 897 OF THE COMPANIES ACT 2006.

If you are in any doubt as to the contents of this document or the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other independent financial adviser who, if you are taking advice in the United Kingdom, is authorised pursuant to FSMA or, if you are taking advice outside the United Kingdom, is an appropriately authorised independent professional adviser.

If you sell or have sold or otherwise transferred all of your Direct Line Shares, please send this Document together with any accompanying documents (other than documents or forms personal to you) at once to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. However, such documents should not be forwarded, distributed or transmitted (in whole or in part) in, into or from any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction. If you sell or have sold or otherwise transferred only part of your holding of Direct Line Shares, you should retain these documents and contact the bank, stockbroker or other agent through whom the sale or transfer was effected. If you have recently purchased or otherwise been transferred Direct Line Shares in certificated form, notwithstanding receipt of this Document from the transferor, you should contact Direct Line's Registrars, Computershare, through the Shareholder Helpline on the relevant telephone number set out below to obtain personalised Forms of Proxy.

The release, publication or distribution of this Document and any accompanying documents (in whole or in part) in or into or from jurisdictions other than the United Kingdom may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about, and observe, any such restrictions. Failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by law, Direct Line and Aviva disclaim any responsibility or liability for the violation of any such restrictions by such persons.

RECOMMENDED CASH AND SHARE OFFER

FOR

DIRECT LINE INSURANCE GROUP PLC

BY AVIVA PLC

to be effected by means of a scheme of arrangement
under Part 26 of the Companies Act 2006

This Document (including all information incorporated into this Document by reference) should be read as a whole and in conjunction with any accompanying documents.

Your attention is drawn to Part I (*Letter from the Chair of Direct Line*) of this Document, which contains the unanimous recommendation of the Direct Line Directors that you vote in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed at the General Meeting. A letter from Morgan Stanley & Co., Robey Warshaw and RBC Capital Markets explaining the Scheme appears in Part II (*Explanatory Statement*) of this Document and constitutes an explanatory statement in compliance with section 897 of the Companies Act.

Notices of the Court Meeting and the General Meeting, both of which will be held at Riverbank House, 2 Swan Lane, London, EC4R 3AD on 10 March 2025, are set out in Part IX (*Notice of Court Meeting*) and Part X (*Notice of General Meeting*), respectively, of this Document. The Court Meeting will start at 11.00 a.m. on that date and the General Meeting at 11.15 a.m. or as soon thereafter as the Court Meeting concludes or is adjourned.

Certain terms used in this Document are defined in Part VIII (*Definitions*) of this Document. References to times in this Document are to London, United Kingdom time unless otherwise stated.

ACTION TO BE TAKEN

The action to be taken by Direct Line Shareholders is set out on pages 11 to 14 and at paragraph 20 of Part II (*Explanatory Statement*) of this Document.

Direct Line Shareholders are asked to complete and return the enclosed BLUE and WHITE Forms of Proxy (or to appoint a proxy electronically as referred to in this Document) in accordance with the instructions printed thereon as soon as possible, but in any event so as to be received by Direct Line's Registrars, Computershare, not later than 48 hours before the relevant Meeting (or, in the case of any adjournment, not later than 48 hours before the time fixed for the adjourned Meeting, in each case excluding any part of such 48 hour period falling on a day that is not a working day). Direct Line Shareholders who hold Direct Line Shares in CREST may also appoint a proxy using CREST by following the instructions set out on pages 11 to 14 and 45 to 47 of this Document.

In the case of the Court Meeting, if the BLUE Form of Proxy for the Court Meeting is not lodged by 11.00 a.m. on 6 March 2025, it may be presented in person to Direct Line's Registrars, Computershare, or to the Chair of the Court Meeting at the Court Meeting at any time before the commencement of the Court Meeting (or any adjournment thereof). In the case of the General Meeting, if the WHITE Form of Proxy for the General Meeting is not lodged by 11.15 a.m. on 6 March 2025, it will be invalid. In each case, Direct Line Shareholders may make such proxy appointment or voting instruction online at www.investorcentre.co.uk/eproxy, through CREST or via the Proxymity platform (for institutional investors). The completion and return of the Forms of Proxy will not prevent you from attending, asking questions and voting (and/or, in the case of the Court Meeting, raising any objections) at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete and return the Forms of Proxy or to submit your proxies electronically or online, please contact Direct Line's Registrars, Computershare, by calling the Shareholder Helpline on +44 (0)370 873 5880. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Calls from outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Direct Line's Registrars, Computershare cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

NOTICES

Morgan Stanley & Co. International plc ("**Morgan Stanley & Co.**"), which is authorised by the PRA and regulated by the PRA and the FCA in the United Kingdom, is acting exclusively for Direct Line and for no one else in connection with the Acquisition and neither Morgan Stanley & Co. nor any of its affiliates, nor their respective directors, officers, employees or agents will be responsible to anyone other than Direct Line for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this Document or any other matters referred to herein.

Robey Warshaw, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for Direct Line and no one else in connection with the matters referred to in this Document and will not regard any other person as its client in relation to the matters referred to in this Document and will not be responsible to anyone other than Direct Line for providing the protections afforded to clients of Robey Warshaw, nor for providing advice in relation to the matters referred to in this Document.

RBC Capital Markets, which is authorised by the PRA and regulated by the PRA and the FCA in the United Kingdom, is acting exclusively for Direct Line and for no one else in connection with the Acquisition and neither RBC Capital Markets nor any of its affiliates, nor their respective directors, officers, employees or agents will be responsible to anyone other than Direct Line for providing the protections afforded to its clients or for providing advice in relation to the Acquisition, the contents of this Document or any other matters referred to in this Document.

Citi, which is authorised by the PRA and regulated in the United Kingdom by the PRA and FCA is acting as financial adviser exclusively for Aviva and for no one else in connection with the matters described in this Document, and will not be responsible to anyone other than Aviva for providing the protections afforded to its clients nor for providing advice in relation to the matters referred to in this Document.

Neither Citi nor any of its affiliates, directors or employees owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, consequential, whether in contract, tort, in delict, under statute or otherwise) to any person who is not a client of Citi in connection with this Document, any statement contained herein or otherwise.

Goldman Sachs International, which is authorised by the PRA and regulated by the PRA and the FCA in the United Kingdom, is acting exclusively for Aviva and no one else in connection with the matters referred to in this Document and will not be responsible to anyone other than Aviva for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in connection with the matters referred to in this Document.

No person has been authorised to give any information or make any representations other than those contained in this Document and, if given or made, such information or representations must not be relied upon as having been authorised by Direct Line, the Direct Line Directors, Aviva, the Aviva Directors or by Morgan Stanley & Co., Robey Warshaw, RBC Capital Markets, Citi, Goldman Sachs International or any other person involved in the Acquisition. Neither the delivery of this Document nor holding the Meetings, the Court Sanction Hearing, or filing the Court Order shall, under any circumstances, create any implication that there has been no change in the affairs of the Direct Line Group or the Aviva Group since the date of this Document or that the information in, or incorporated into, this Document is correct as at any time subsequent to its date.

IMPORTANT NOTICE

This Document and any accompanying documents have been prepared for the purposes of complying with English law and the Takeover Code and information disclosed herein may not be the same as that which would have been disclosed if this Document and any accompanying documents had been prepared in accordance with the laws of any other jurisdiction.

The statements contained in this Document are made as at the date of this Document, unless some other time is specified in relation to them, and service of this Document shall not give rise to any implication that there has been no change in the facts set forth in this Document since such date. Nothing in this Document shall be deemed to be a forecast, projection or estimate of the future financial performance of Direct Line or Aviva or the Combined Group except for the Aviva 2025 Profit Forecast and Aviva 2026 Profit Forecast set out in Appendix II (*Aviva Profit Forecasts*) of this Document. Neither Direct Line nor Aviva intends, or undertakes any obligation, to update any information contained in this Document, except as required by applicable law, the Takeover Code or any other applicable regulation.

This Document does not constitute a prospectus or prospectus-equivalent document or a prospectus exempted document.

Prior to the Scheme becoming Effective, applications will be made to the London Stock Exchange and the FCA for the Direct Line Shares to cease to be admitted to trading on the Main Market of the London Stock Exchange and to cancel their listing on the Official List, respectively.

Direct Line Shareholders should not construe the contents of this Document as legal, taxation or financial advice, and should consult with their own advisers as to the matters described in this Document.

FORWARD LOOKING STATEMENTS

This Document (including information incorporated by reference in this Document), oral statements made regarding the Acquisition, and other information published by Direct Line or Aviva may contain statements about Direct Line or Aviva that are or may be deemed to be forward looking statements. All statements other than statements of historical facts included in this Document may be forward looking statements.

Without limitation, any statements preceded or followed by or that include the words “targets”, “plans”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “shall”, “should”, “anticipates”, “estimates”, “projects”, “is subject to”, “budget”, “scheduled”, “forecast” or words or terms of similar substance or the negative thereof, are forward looking statements. Forward looking statements include statements relating to the following: (i) the ability to complete the Acquisition in a timely manner, (ii) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (iii) business and management strategies and the expansion and growth of Direct Line’s or Aviva’s operations and potential synergies resulting from the Acquisition; and (iv) the effects of government regulation and/or global and/or local economic conditions on the wider Direct Line Group’s or the wider Aviva Group’s business.

Such forward looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Direct Line and Aviva about future events, and are therefore subject to risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward looking statements, including, but not limited to: the impact of ongoing uncertain conditions in the global financial markets and the national and international political and economic situation generally (for example, in respect of the war in Ukraine following the Russian invasion, and/or the conflict in the Middle East), market developments and government actions, changes in or inaccuracy of assumptions in pricing and reserving for insurance business, particularly with regards to lapse rates and policy renewal rates, a cyclical downturn of the insurance industry, the impact of natural and man-made catastrophic events (including pandemics) on Aviva’s and/or Direct Line’s business activities and results of operation, the transitional, litigation and physical risks associated with climate change, failure to understand and respond effectively to the risks associated with sustainability, regulatory approval of changes to the Direct Line Group’s and/or Aviva Group’s internal model for calculation of regulatory capital under the UK’s version of Solvency II rules, the impact of recognising an impairment of Direct Line’s and/or Aviva’s goodwill or intangibles with indefinite lives, changes in valuation methodologies, estimates and assumptions used in the valuation of investment securities, the effect of legal proceedings and regulatory investigations, the impact of operational risks, including inadequate or

failed internal and external processes, systems and human error or from external events and malicious acts (including cyber attack and theft, loss or misuse of customer data), increased competition, the loss of or damage to one or more key customer relationships, changes to habits, the outcome of business or industry restructuring, the outcome of any litigation, changes in global, political, social, business and economic conditions, changes in the level of capital investment, currency fluctuations, changes in interest and tax rates, changes in market prices, changes in (and to interpretations of) laws, regulations or regulatory policies, developments in legal or public policy doctrines, technological developments, the failure to retain key employees, or the timing and success of future offer opportunities or major investment projects and the impact of any acquisitions or similar transactions. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward looking statements.

Such forward looking statements should therefore be construed in light of such factors. Neither Direct Line nor Aviva, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this Document will actually occur. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward looking statements, which speak only as of the date hereof. All subsequent oral or written forward looking statements attributable to any member of the Direct Line Group or the Aviva Group, or any of their respective associates, directors, officers, employees or advisers, are expressly qualified in their entirety by the cautionary statement above.

Direct Line and Aviva expressly disclaim any obligation to update any forward looking or other statements contained herein, except as required by applicable law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

OVERSEAS SHAREHOLDERS

The release, publication or distribution of this Document in, into or from jurisdictions other than the United Kingdom, and the availability of the Acquisition to Direct Line Shareholders who are not resident in the United Kingdom, may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe such restrictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Direct Line Shares with respect to the Scheme at the Court Meeting and/or General Meeting, or to execute and deliver forms of proxy appointing another to vote at the Court Meeting and/or General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Aviva or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction. Accordingly, copies of this Document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, and persons receiving this Document and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such Restricted Jurisdiction. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into, or by use of mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

This Document has been prepared in connection with proposals in relation to a scheme of arrangement pursuant to and for the purpose of complying with English law and the Takeover Code and information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Nothing in this Document should be relied on for any other purpose. Overseas Shareholders should consult their own professional advisers with respect to the legal and tax consequences of the Scheme.

Further details in relation to Overseas Shareholders are contained in paragraph 18 of Part II (*Explanatory Statement*) of this Document.

The Acquisition shall be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

ADDITIONAL INFORMATION FOR US INVESTORS

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934 (the “**US Exchange Act**”). Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules.

If, in the future, Aviva exercises its right to implement the Acquisition by way of a Takeover Offer, which is to be made into the US, such Takeover Offer will be made in compliance with the applicable US laws and regulations, including Section 14(e) and Regulation 14E under the US Exchange Act. Such a Takeover Offer would be made in the US by Aviva and no one else.

In the event that the Acquisition is implemented by way of Takeover Offer, in accordance with, and to the extent permitted by, the Takeover Code and normal UK market practice, Goldman Sachs International and Citi, and their respective affiliates, may continue to act as exempt principal traders or exempt market makers in Direct Line Shares on the London Stock Exchange and will engage in certain other purchasing activities consistent with their respective normal and usual practice and applicable law, as permitted by Rule 14e-5(b)(9) under the US Exchange Act. In addition, Aviva, its affiliates, their advisers and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Direct Line outside the Acquisition, such as in open market purchases or privately negotiated purchases, during the period in which the Acquisition remains open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the US and would comply with applicable law, including United Kingdom laws and the US Exchange Act. Any such purchases by Aviva or its affiliates will not be made at prices higher than the price of the Acquisition provided in this Document unless the price of the Acquisition is increased accordingly. Any information about such purchases or arrangements to purchase shall be disclosed as required under United Kingdom laws and will be available to all investors (including US investors) via the Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com. To the extent that such information is required to be publicly disclosed in the United Kingdom in accordance with applicable regulatory requirements, this information will, as applicable, also be publicly disclosed in the United States.

It may be difficult for US holders of Direct Line Shares to enforce their rights and any claim arising out of the US federal securities laws in connection with the Acquisition, since Aviva and Direct Line are located and organised in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Direct Line Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court’s judgement.

The New Aviva Shares to be issued pursuant to the Acquisition have not been registered under the US Securities Act or under any laws or with any securities regulatory authority of any state, district or other jurisdiction, of the US, and may only be offered or sold in the US in reliance on an exemption from registration requirements of the US Securities Act including in the case of the proposed scheme of arrangement, Section 3(a)(10) thereunder. This Document shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the New Aviva Shares in any state of the United States in which such offer, solicitation or sale would be unlawful prior to qualification under the securities laws of any such state. Aviva will rely upon the Court’s sanctioning of the Scheme for the purposes of qualifying for the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof with respect to the New Aviva Shares to be issued pursuant to the Scheme.

For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10), Direct Line will advise the Court through counsel that Aviva will rely on the Section 3(a)(10) exemption based on the Court’s sanctioning of the Scheme, which will be relied upon by Aviva as an approval of the Scheme following a hearing on the fairness of the terms and

conditions of the Scheme to Scheme Shareholders, at which hearing all shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all shareholders.

Under US securities laws, persons who are or will be deemed to be affiliates (as defined under the US Securities Act) of Direct Line or Aviva prior to, or of Aviva on or after, the Effective Date may be subject to timing, manner of sale and volume restrictions on the resale in the United States of New Aviva Shares received in connection with the Scheme. Whether a person is an “affiliate” of a company for such purposes depends upon the circumstances, but affiliates of a company include individuals who, or entities that, control directly or indirectly, or are controlled by or are under common control with, that company, and may include certain officers and directors and significant shareholders of Direct Line and Aviva (typically holders of more than 10 percent of the outstanding issued capital). Scheme Shareholders who believe they may be affiliates for the purposes of the US Securities Act should consult their own legal advisers prior to any resale of New Aviva Shares received under the Scheme.

The New Aviva Shares have not been, and will not be, listed on a US securities exchange or quoted on any inter-dealer quotation system in the United States.

The financial information included in this Document, has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US (“**US GAAP**”). US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information in this Document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

Neither the Acquisition, nor this Document, nor the New Aviva Shares to be issued pursuant to the Acquisition have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities approved or disapproved or passed judgement upon the fairness or the merits of the Acquisition, or determined if the information contained in this Document is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the United States.

The receipt of New Aviva Shares and/or cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Direct Line Shares pursuant to the Acquisition may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US holder of Direct Line Shares is urged to consult their independent legal, tax and financial advisers regarding the tax consequences of the Acquisition applicable to them, including under applicable US state and local, as well as overseas and other, tax laws.

AMERICAN DEPOSITARY SHARES AND AMERICAN DEPOSITARY RECEIPTS

Direct Line is aware that there is an “unsponsored” American Depositary Receipt Program concerning Direct Line Shares. The Acquisition is not being made for American Depositary Shares representing Direct Line Shares (“**ADSs**”), nor for American Depositary Receipts evidencing such ADSs (“**ADRs**”). However, the Acquisition is being made for the Direct Line Shares that are represented by the ADSs. Holders of ADSs and ADRs are encouraged to consult with the appropriate depositary regarding the tender of Direct Line Shares that are represented by ADSs. Direct Line is unaware as to whether any respective depositary will make arrangements to tender the underlying Direct Line Shares into the Acquisition on behalf of holders of ADSs or ADRs.

Generally, holders of ADSs may be able to present their ADSs to the appropriate depositary for cancellation and (upon compliance with the terms of the deposit agreement relating to the “unsponsored” American Depositary Receipt Program concerning Direct Line Shares, including payment of the depositary’s fees and any applicable transfer fees, taxes and governmental charges) delivery of Direct Line Shares to them, in order to become shareholders of the underlying Direct Line Shares. The Direct Line Shares delivered to holders of ADSs upon such cancellation may then be tendered into the Acquisition. Holders of ADSs should consult with the relevant depositary regarding their ability to obtain the underlying Direct Line Shares and the applicable procedures. Holders of ADSs should be aware, however, that in order to tender in this manner, they may need to have an account in the United Kingdom into which the Direct Line Shares can be delivered.

NO PROFIT FORECASTS OR PROFIT ESTIMATES

Other than the Aviva 2025 Profit Forecast and the Aviva 2026 Profit Forecast set out in Appendix II (*Aviva Profit Forecasts*) of this Document, no statement in this Document is intended as, or is to be construed as, a profit forecast or profit estimate for any period and no statement in this Document should be interpreted to mean that earnings or earnings per Direct Line Share or Aviva Share for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Direct Line Shares or Aviva Shares.

QUANTIFIED FINANCIAL BENEFITS STATEMENT

Appendix I (*Quantified Financial Benefits Statement*) of this Document sets out the Quantified Financial Benefits Statement and contains details of, and bases of belief and calculation of, the anticipated financial benefits of the Acquisition. On 23 December 2024, PwC, as reporting accountant to Aviva, and Citi and Goldman Sachs International, as joint financial advisers to Aviva, provided the reports relating to the Quantified Financial Benefits Statement required under Rule 28.1(a) of the Takeover Code. Copies of their reports were included in Appendix 5 of the 2.7 Announcement. Each of PwC, Citi and Goldman Sachs International has confirmed to Aviva that their respective reports produced in connection with the Quantified Financial Benefits Statement continue to apply.

For the purposes of Rule 28 of the Takeover Code, the Quantified Financial Benefits Statement contained in this Document is the responsibility of Aviva and the Aviva Directors, and not of Direct Line or the Direct Line Directors. Any statement of intention, belief or expectation for the Combined Group following the Effective Date is an intention, belief or expectation of the Aviva Directors and not of the Direct Line Directors.

The statements in the Quantified Financial Benefits Statement relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. No statement in the Quantified Financial Benefits Statement should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or less than those of Aviva and/or Direct Line for the relevant preceding financial period or any other period.

Other than the Quantified Financial Benefits Statement set out in Appendix I (*Quantified Financial Benefits Statement*) of this Document, no statement in this Document (including any statement of estimated costs savings or synergies) is intended as a quantified financial benefits statement for the purposes of the Takeover Code.

DEALING DISCLOSURE REQUIREMENTS

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 percent or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the Offer Period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.

Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1 percent or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of

(i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 p.m. (London time) on the Business Day following the date of the relevant dealing.

If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).

Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Panel's website at www.thetakeoverpanel.org.uk, including details of the number of relevant securities in issue, when the Offer Period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

PUBLICATION ON WEBSITE AND AVAILABILITY OF HARD COPIES

In accordance with Rule 26.1 of the Takeover Code, a copy of this Document and any document incorporated by reference will be made available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Direct Line's website at <https://www.directlinegroup.co.uk/en/investors> and Aviva's website at <https://www.aviva.com/investors/offer-for-direct-line-insurance-group-plc/> by no later than 12.00 noon (London time) on the Business Day following the date of this Document.

For the avoidance of doubt, the contents of these websites are not incorporated into, and do not form part of, this Document.

INFORMATION RELATING TO DIRECT LINE SHAREHOLDERS

Please be aware that addresses, electronic addresses and certain other information provided by Direct Line Shareholders, persons with information rights and other relevant persons for the receipt of communications from Direct Line may be provided to Aviva, members of the Aviva Group and/or their respective advisers during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code.

RIGHT TO RECEIVE DOCUMENTS IN HARD COPY FORM

In accordance with Rule 30.3 of the Takeover Code, Direct Line Shareholders, participants in the Direct Line Share Plans and persons with information rights may request a hard copy of this Document (and any information incorporated by reference in this Document), free of charge, by contacting Direct Line's Registrars, Computershare, during business hours on +44 (0)370 873 5880, or by submitting a request in writing to The Pavilions, Bridgwater Road, Bristol BS99 6ZY. If calling from outside of the UK, please ensure the country code is used.

For persons who receive a copy of this Document in electronic form or via a website notification, a hard copy of this Document will not be sent unless so requested. Such persons may also request that all future documents, announcements and information in relation to the Acquisition are sent to them in hard copy form.

Please note that Direct Line's Registrars, Computershare cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice and calls may be recorded and monitored for security and training purposes.

ROUNDING

Certain figures included in this Document have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.

This Document is dated 10 February 2025.

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ACTION TO BE TAKEN

These pages should be read in conjunction with the rest of this Document, the accompanying Forms of Proxy and any document incorporated by reference.

1. Documents

Please check that you have received the following:

- a BLUE Form of Proxy for use in respect of the Court Meeting to be held on 10 March 2025;
- a WHITE Form of Proxy for use in respect of the General Meeting to be held on 10 March 2025; and
- a pre-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the WHITE Form of Proxy.

If you have not received all of these documents, please contact Direct Line's Registrars, Computershare, on the Shareholder Helpline referred to below.

2. Voting at the Court Meeting and the General Meeting

IT IS IMPORTANT THAT, FOR THE COURT MEETING IN PARTICULAR, AS MANY VOTES AS POSSIBLE ARE CAST SO THAT THE COURT MAY BE SATISFIED THAT THERE IS A FAIR REPRESENTATION OF SHAREHOLDER OPINION. YOU ARE THEREFORE STRONGLY URGED TO COMPLETE, SIGN AND RETURN YOUR FORMS OF PROXY AS SOON AS POSSIBLE.

The Scheme will require approval at a meeting of Scheme Shareholders convened with the permission of the Court to be held at Riverbank House, 2 Swan Lane, London, EC4R 3AD at 11.00 a.m. on 10 March 2025. Implementation of the Scheme will also require approval of the Special Resolution relating to the Acquisition to be proposed at the General Meeting. The General Meeting will be held at the same place as the Court Meeting at 11.15 a.m. on 10 March 2025 (or as soon thereafter as the Court Meeting concludes or is adjourned). Notices of the Court Meeting and General Meeting are set out at Part IX (*Notice of Court Meeting*) and Part X (*Notice of General Meeting*) respectively of this Document.

The Forms of Proxy must be received by Direct Line's Registrars, Computershare, by no later than the following times and dates:

- (i) BLUE Forms of Proxy for the Court Meeting by 11.00 a.m. on 6 March 2025;
- (ii) WHITE Forms of Proxy for the General Meeting by 11.15 a.m. on 6 March 2025; and
- (iii) if in either case the Meeting is adjourned, so that the relevant Form of Proxy is received not later than 48 hours (excluding any part of such 48 hour period falling on a day that is not a working day) before the time fixed for the adjourned Meeting.

Alternatively, BLUE Forms of Proxy (but not WHITE Forms of Proxy) may be presented in person to Direct Line's Registrars, Computershare, or to the Chair of the Court Meeting at the Court Meeting any time before the commencement of the Court Meeting (or any adjournment thereof) and will still be valid. In the case of the General Meeting, unless the WHITE Form of Proxy is returned by the time and date mentioned above, it will be invalid.

The completion and return of the Forms of Proxy will not prevent you from attending and voting at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

Please see below for further details in respect of proxy appointment, multiple proxy voting instructions, and the process for appointing a proxy if you hold your Direct Line Shares through CREST.

Please refer to pages 67 to 68 and paragraph 5 of Part IV (*The Scheme of Arrangement*) of this Document if you are an Overseas Shareholder.

(a) **Proxy appointment**

A registered Direct Line Shareholder entitled to attend and to speak and vote at the Court Meeting and the General Meeting may appoint a proxy pursuant to the Articles of Association to attend and to speak and vote in his/her place. A registered shareholder may appoint more than one proxy in relation to each

of the Court Meeting and the General Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that registered Direct Line Shareholder. A proxy need not be a member of Direct Line. The appointment of a proxy will not preclude shareholders entitled to attend and vote at the meeting (or at any adjournment(s) thereof) from doing so in person if they wish.

Please note that the appointment of a proxy or proxies is separate for each of the Court Meeting and the General Meeting.

A person who has been nominated under section 146 of the Companies Act to enjoy information rights (a “**Nominated Person**”) may have a right under an agreement between him/her and the registered Direct Line Shareholder by whom he/she was nominated to be appointed, or to have someone else appointed, as a proxy for the Court Meeting and the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may have a right under such an agreement to give instructions to the registered Direct Line Shareholder as to the exercise of voting rights. The statement of the rights of registered Direct Line Shareholder to appoint proxies above does not apply to Nominated Persons. The rights described above can only be exercised by registered Direct Line Shareholders.

If two or more valid but differing appointments of proxy are delivered or received in respect of the same Direct Line Shares, the one which is last validly delivered or received (regardless of its date or of the date of its execution) shall be treated as replacing and revoking the other or others as regards that Direct Line Share. If Direct Line is unable to determine which instrument was last validly delivered or received, none of them shall be treated as valid in respect of that Direct Line Share.

(b) Multiple proxy voting instructions

As a registered Direct Line Shareholder, you are entitled to appoint a proxy in respect of some or all of your Direct Line Shares. You are also entitled to appoint more than one proxy. A proxy need not be a Direct Line Shareholder. A space has been included on the Forms of Proxy to allow you to specify the number of Direct Line Shares in respect of which that proxy is appointed. Direct Line Shareholders who return a Form of Proxy duly executed but leave this space blank will be deemed to have appointed a proxy in respect of all of their Direct Line Shares.

If you wish to appoint more than one proxy in respect of your shareholding, please photocopy the Forms of Proxy or contact Direct Line’s Registrars, Computershare on +44 (0)370 873 5880. Lines are open 8.30 a.m. to 5.30 p.m. Monday to Friday (excluding public holidays in England and Wales). Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Please note that calls may be monitored or recorded and Direct Line’s Registrars, Computershare cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

(c) Online appointment of proxies

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically by logging on to the following website: www.investorcentre.co.uk/eproxy and following the instructions therein. For an electronic proxy appointment to be valid, the appointment must be received by Computershare not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting (paragraph 2(i)-(iii) above) or any adjournment thereof. In the case of the Court Meeting only, if the electronic proxy appointment is not received by this time, the BLUE Form of Proxy may be presented in person to Direct Line’s Registrars, Computershare, or to the Chair of the Court Meeting at the Court Meeting at any time before the commencement of the Court Meeting (or any adjournment thereof). In the case of the WHITE Form of Proxy for the General Meeting, if the electronic proxy appointment is not received by the relevant time, it will be invalid.

(d) CREST proxy appointment

Direct Line Shareholders who hold Direct Line Shares through CREST and who wish to appoint a proxy or proxies for the Court Meeting and/or the General Meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by following the procedures described in the CREST

Manual (available at <https://my.euroclear.com>). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s) who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message (a “**CREST Proxy Instruction**”) must be properly authenticated in accordance with the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Direct Line’s Registrars, Computershare (ID-3RA50), not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting (as set out above) or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsor or voting service provider(s) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Direct Line may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

(e) **Proxymity**

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by Direct Line and approved by Direct Line’s Registrars, Computershare. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting (as set out above) or any adjournment thereof in order to be considered valid. Before you can appoint a proxy via this process, you will need to have agreed to Proxymity’s associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

3. Further information about proxies and voting

Further information in relation to the appointment of proxies for and voting at the Court Meeting and General Meeting is set out in paragraph 20 of Part II (*Explanatory Statement*) of this Document, in the Notice of Court Meeting set out in Part IX (*Notice of Court Meeting*) of this Document, in the notes to the Notice of General Meeting set out in Part X (*Notice of General Meeting*) of this Document, and in the instructions printed on the Forms of Proxy.

If you hold Direct Line Shares indirectly, you must rely on the procedures of the bank, broker, financial institution, share plan administrator or share plan nominee or other securities intermediary through which you hold Direct Line Shares. You should contact such intermediary for further instructions on how you can instruct that intermediary to vote on your behalf at the Court Meeting and General Meeting and the date by which you must provide such instructions to the intermediary.

4. Direct Line Share Plans

Participants in the Direct Line Share Plans will be contacted separately regarding the effect of the Scheme on their Awards under the Direct Line Share Plans and details of the arrangements and proposals applicable to them will be made available to them on the EquatePlus portal used in connection with the Direct Line Share Plans. A summary of the effect of the Scheme on outstanding Awards under the Direct Line Share Plans is set out in paragraph 12 of Part II (*Explanatory Statement*) of this Document.

5. Shareholder Helpline

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy or to submit your proxies through CREST or via the electronic means, please contact the Direct Line's Registrars, Computershare, by calling the Shareholder Helpline on +44 (0)370 873 5880. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Computershare cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

EXPECTED TIMETABLE OF PRINCIPAL EVENTS

The following indicative timetable is based on Direct Line's and Aviva's current expected dates for the implementation of the Scheme and is subject to change. If any of the dates and/or times in this expected timetable change, the revised dates and/or times will be notified to Direct Line Shareholders by announcement through the Regulatory Information Service of the London Stock Exchange.

Event	Time and/or date ⁽¹⁾
Publication of this Document	10 February 2025
Latest time for lodging Forms of Proxy for the:	
Court Meeting (BLUE form)	11.00 a.m. on 6 March 2025 ⁽²⁾
General Meeting (WHITE form)	11.15 a.m. on 6 March 2025 ⁽³⁾
Voting Record Time	6.00 p.m. on 6 March 2025 ⁽⁴⁾
Court Meeting	11.00 a.m. on 10 March 2025
General Meeting	11.15 a.m. on 10 March 2025⁽⁵⁾
<i>The following dates and times associated with the Scheme are indicative only and subject to change and will depend on, among other things, the date on which the Conditions to the Scheme are satisfied or, if capable of waiver, waived, and the date on which the Court sanctions the Scheme. Direct Line will give adequate notice of any changes to these dates and times, when known, by issuing an announcement through a Regulatory Information Service, with such announcement being made available on Direct Line's website at https://www.directlinegroup.co.uk/en/investors. See also note (1).</i>	
Court Sanction Hearing	a date expected to be in mid-2025, subject to the satisfaction (or, if applicable, waiver) of the relevant Conditions and, in any event, prior to the Long Stop Date ("D")
Last day for dealings in, and for the registration of transfer of, and disablement in CREST of, Direct Line Shares	D*
Scheme Record Time	6.00 p.m. on D ^{*(6)}
Suspension of trading, and dealings in, Direct Line Shares	7.30 a.m. on D+1*
Effective Date	D+1 ^{*(7)}
Cancellation of listing of Direct Line Shares on the Official List and of trading of Direct Line Shares on the London Stock Exchange	by 8.00 a.m. on D+2*
New Aviva Shares to be issued to Direct Line Shareholders	by 8.00 a.m. on D+2*
Admission of New Aviva Shares and commencement of dealings in New Aviva Shares on the London Stock Exchange	by 8.00 a.m. on D+2*
CREST accounts of Direct Line Shareholders credited with New Aviva Shares	on or as soon as possible after 8:00 a.m. on D+2* but not later than 14 days after the Effective Date
CREST accounts of Direct Line Shareholders credited with: (i) the cash element of the Offer Consideration; and (ii) any cash due in relation to the sale of fractional entitlements	within 14 days after the Effective Date

Event	Time and/or date ⁽¹⁾
Despatch of share certificates for New Aviva Shares and of cheques for, or initiation of electronic payments in respect of: (i) the cash element of the Offer Consideration; and (ii) any cash due in relation to the sale of fractional entitlements for those Direct Line Shareholders who do not hold their Direct Line Shares in CREST, or, where applicable, the despatch of cheques for the cash due to Restricted Shareholders under the Scheme	within 14 days after the Effective Date
Long Stop Date	31 December 2025 ⁽⁸⁾

- (1) The dates and times are indicative only and are based on current expectations and may be subject to change and will depend on, among other things, the date on which the Conditions to the Scheme are satisfied or, if capable of waiver, waived, and the date on which the Court sanctions the Scheme. References to times are to London, United Kingdom time unless otherwise stated. If any of the times and/or dates above change, the revised times and/or dates will be notified to Direct Line Shareholders by announcement through a Regulatory Information Service.
- Participants in the Direct Line Share Plans will be contacted separately and details of the effect of the Scheme on their rights under the Direct Line Share Plans, including details of any dates and times relevant to them, will be provided on the EquatePlus portal used in connection with the Direct Line Share Plans.
- (2) It is requested that BLUE Forms of Proxy for the Court Meeting be lodged not later than 48 hours prior to the time appointed for the Court Meeting or, if the Court Meeting is adjourned, 48 hours prior to the time fixed for any adjourned Court Meeting (excluding any part of such 48 hour period falling on a day that is not a working day). If the BLUE Form of Proxy for the Court Meeting is not lodged by 11.00 a.m. on 6 March 2025, it may be presented in person to the Computershare representative who will be present at the Court Meeting or to the Chair of the Court Meeting, at any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- (3) In order to be valid, the WHITE Forms of Proxy for the General Meeting must be lodged not later than 11.15 a.m. on 6 March 2025 or, if the General Meeting is adjourned, 48 hours prior to the time fixed for the adjourned General Meeting (excluding any part of such 48 hour period falling on a day that is not a working day).
- (4) If either the Court Meeting or the General Meeting is adjourned, the Voting Record Time for the relevant adjourned Meeting will be 6.00 p.m. on the day which is two Business Days prior to the date of the adjourned Meeting.
- (5) To commence at the time fixed or as soon thereafter as the Court Meeting concludes or is adjourned.
- (6) Scheme Shareholders who are on the Register at this time are entitled to receive the Offer Consideration under the Acquisition.
- (7) The Scheme shall become Effective as soon as a copy of the Court Order has been delivered to the Registrar of Companies. This is expected to occur following the Scheme Record Time and after the suspension of trading in Direct Line Shares. The events which are stated as occurring on subsequent dates are conditional on the Effective Date and operate by reference to that date.
- (8) This is the latest date by which the Scheme may become Effective unless there is a Phase 2 CMA Reference and the Condition set out in paragraph 3(c)(i) of Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document has not been waived or invoked by Aviva, in which case the Long Stop Date will be extended to 27 October 2026. In either case, the Long Stop Date may be extended to such later date as may be agreed in writing by Aviva and Direct Line (with the Panel's consent and Court approval (if such approval(s) are required)).

*All dates by reference to "D+1" and "D+2" will be to the date falling the number of indicated Business Days immediately after the actual date, which is "D", as indicated above.

PART I
LETTER FROM THE CHAIR OF DIRECT LINE

Direct Line Insurance Group plc
Churchill Court
Westmoreland Road
Bromley
BR1 1DP
United Kingdom

Directors:

Danuta Gray (Chair)
Adam Winslow (Group Chief Executive Officer)
Jane Poole (Group Chief Financial Officer)
Richard Ward (Senior Independent Director)
Tracy Corrigan (Independent Non-Executive Director)
Mark Gregory (Independent Non-Executive Director)
Carol Hagh (Independent Non-Executive Director)
Adrian Joseph (Independent Non-Executive Director)
Mark Lewis (Independent Non-Executive Director)
Fiona McBain (Independent Non-Executive Director)
David Neave (Independent Non-Executive Director)
Gregor Stewart (Independent Non-Executive Director)

10 February 2025

To the holders of Direct Line Shares and, for information only, to holders of awards and options under the Direct Line Share Plans and persons with information rights.

Dear Shareholder,

**RECOMMENDED CASH AND SHARE OFFER FOR DIRECT LINE INSURANCE GROUP PLC
BY AVIVA PLC**

1. Introduction

On 23 December 2024 the boards of Direct Line and Aviva announced that they had reached agreement on the terms of a recommended cash and share offer for the acquisition of Direct Line by Aviva to create the Combined Group. It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

I am writing to you today on behalf of the Direct Line Directors to explain the background to and detailed terms of the Acquisition, to encourage you to vote at the Meetings to be held on 10 March 2025 to consider the Acquisition, and to set out the reasons why the Direct Line Directors consider the terms of the Acquisition to be fair and reasonable. The Direct Line Directors are unanimously recommending that you vote in favour of the Scheme at the Court Meeting and in favour of the Special Resolution to be proposed at the General Meeting, as those Direct Line Directors who (or whose immediate family) beneficially hold Direct Line Shares have irrevocably undertaken to do (or procure to be done) in respect of their entire beneficial holdings of 556,792 Direct Line Shares in total, representing, in aggregate, approximately 0.04 percent of Direct Line's issued ordinary share capital as at the Latest Practicable Date. Further information relating to these irrevocable undertakings, including the circumstances in which they cease to be binding, is set out in paragraph 5 of Part VII (*Additional Information on Direct Line and Aviva*) of this Document.

I draw your attention to the letter from Morgan Stanley & Co., Robey Warshaw and RBC Capital Markets set out in Part II (*Explanatory Statement*) of this Document which gives details about the Acquisition and to the additional information set out in Part VII (*Additional Information on Direct Line and Aviva*) of this Document.

In order to approve the terms of the Acquisition, the required majority of Scheme Shareholders will need to vote in favour of the Scheme at the Court Meeting and the required majority of Direct Line Shareholders will need to vote in favour of the Special Resolution to be proposed at the General Meeting (as set out in paragraphs 15(A) and 15(B) of Part II (*Explanatory Statement*) of this Document). The Court Meeting and the General Meeting are to be held at Riverbank House, 2 Swan Lane, London, EC4R 3AD on 10 March 2025 at 11.00 a.m. and 11.15 a.m. (or as soon thereafter as the Court Meeting concludes or is adjourned), respectively.

Details of the actions you should take are set out in paragraph 20 of Part II (*Explanatory Statement*) of this Document. The formal recommendation of the Direct Line Directors is set out in paragraph 15 of this letter.

2. Summary of the terms of the Acquisition

It is proposed that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act between Direct Line and Scheme Shareholders, pursuant to which Aviva will acquire all of the issued and to be issued Direct Line Shares. The Scheme requires, among other things, the approval of Scheme Shareholders at the Court Meeting, the approval of the Special Resolution by Direct Line Shareholders at the General Meeting, as well as the sanction of the Court at the Court Sanction Hearing in order to become Effective.

Under the terms of the Acquisition, which is subject to the satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, Direct Line Shareholders are entitled to receive:

For each Direct Line Share held:	0.2867 New Aviva Shares;
	129.7 pence in cash; and
	up to 5 pence (in aggregate) in the form of dividend payments to be paid (subject to the approval of the Direct Line Board) prior to Completion.

If the Scheme becomes Effective, it will result in the allotment and issue of approximately 381,214,535 New Aviva Shares to Scheme Shareholders, which would result in Scheme Shareholders holding approximately 12.5 percent and Aviva Shareholders holding approximately 87.5 percent of the Combined Group immediately following the Effective Date, based on the issued share capital of each of Direct Line and Aviva, respectively, as at the Latest Practicable Date.

Aviva and Direct Line have also agreed certain arrangements with regards to the payment of further dividends and returns of capital prior to the Effective Date, as set out in paragraph 3 of this letter.

Based on the Closing Price of Aviva Shares of 489.3 pence on 27 November 2024 (being the last closing share price before the commencement of the Offer Period), the terms of the Acquisition value each Direct Line Share at 275 pence and value the entire diluted share capital of Direct Line at approximately £3.7 billion. This represents a premium of approximately:

- 73.3 percent to the Closing Price of 158.7 pence per Direct Line Share on 27 November 2024; and
- 49.7 percent to the six month volume weighted average price of 183.7 pence per Direct Line Share to 27 November 2024.

Based on the Closing Price of Aviva Shares of 507.8 pence on the Latest Practicable Date, the terms of the Acquisition value each Direct Line Share at 280 pence and value the entire diluted share capital of Direct Line at approximately £3.7 billion. This represents a premium of approximately:

- 76.6 percent to the Closing Price of 158.7 pence per Direct Line Share on 27 November 2024; and
- 52.6 percent to the six month volume weighted average price of 183.7 pence per Direct Line Share to 27 November 2024.

The New Aviva Shares will be issued following implementation of the Scheme to Scheme Shareholders (other than Restricted Shareholders) on the Register at the Scheme Record Time. Fractions of New Aviva Shares will not be allotted or issued to Direct Line Shareholders. Fractional entitlements will be rounded down to the nearest whole number of New Aviva Shares and all fractions of New Aviva Shares will be aggregated and sold in the market as soon as practicable after the Acquisition becomes Effective. The net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) will be distributed in due proportions to Scheme Shareholders who would otherwise have been entitled to such fractions, save that if the entitlement of any Scheme Shareholder in respect of the proceeds of sale of fractional entitlements amounts to less than £5, such proceeds will be retained for the benefit of the Combined Group.

The New Aviva Shares will be issued credited as fully paid and will rank *pari passu* in all respects with the existing Aviva Shares, including the right to receive and retain in full all dividends and other distributions (if any) made, paid, or declared by reference to a record date falling on or after the Effective Date. Prior to Completion, applications will be made by Aviva to the FCA and to the London Stock Exchange for the New Aviva Shares to be admitted to the Equity Shares (Commercial Companies) category of the Official List and to trading on the Main Market. It is expected that Admission will become effective and that dealings in the New Aviva Shares will commence on the London Stock Exchange at 8.00 a.m. on the first Business Day following the Effective Date.

The Acquisition is subject to the Conditions set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, including the sanction of the Scheme by the Court and Admission of the New Aviva Shares.

Further information about the Acquisition is provided in Part II (*Explanatory Statement*) of this Document.

3. Dividends

Direct Line Shareholders are entitled to receive up to 5.0 pence of dividends per Direct Line Share prior to the Effective Date (subject to Direct Line Board approval), without any consequential reduction to the Offer Consideration.

Aviva and Direct Line have further agreed that, until the Effective Date, Aviva will declare its dividends in accordance with the Aviva Dividend Policy.

Aviva and Direct Line expect the Scheme to become Effective in mid-2025. The Long Stop Date allows for the possibility of a later Effective Date and the parties have agreed certain further arrangements relating to dividends to cater for a situation where the Acquisition completes later than expected:

- if the Effective Date occurs after the record date for the Aviva FY25 Interim Dividend, Direct Line will be entitled to declare and pay additional dividends prior to the Effective Date of up to 2.0 pence per Direct Line Share in aggregate (subject to Direct Line Board approval);
- in addition, if the Effective Date occurs after the record date for the Aviva FY25 Final Dividend, Direct Line will be entitled to declare and pay additional dividends prior to the Effective Date in accordance with the Direct Line Dividend Policy of up to 10.6 pence per Direct Line Share in aggregate (subject to Direct Line Board approval); and
- in addition, if the Effective Date occurs after the record date for the Aviva FY26 Interim Dividend, Direct Line will be entitled to declare and pay additional dividends prior to the Effective Date in accordance with the Direct Line Dividend Policy of up to 4.2 pence per Direct Line Share in aggregate (subject to Direct Line Board approval),

in each case, without any consequential reduction to the Offer Consideration.

If, on or after the date of the 2.7 Announcement and prior to the Effective Date:

- any dividend is declared by Direct Line which exceeds the limitations agreed with Aviva, Aviva shall be entitled to reduce the cash element of the Offer Consideration accordingly; and
- any dividend is declared by Aviva which exceeds the limitations agreed with Direct Line, Direct Line shall be entitled to declare an equalising dividend to Direct Line Shareholders.

Further details regarding these arrangements can be found in Clause 3 of the Co-operation Agreement.

4. Background to and reasons for the recommendation

Direct Line is one of the UK's leading general insurance companies, with a leading personal lines customer franchise, scaled market positions and some of the most recognisable brands in the market across a complementary and diverse portfolio. Direct Line and Churchill are two of the most iconic brands in the UK motor and home insurance markets. Direct Line owns a leading in-house garage network and Green Flag, which is the UK's third largest vehicle rescue brand. In September 2023 Direct Line welcomed over 700,000 customers under a partnership with Motability, further demonstrating a capability to offer a wide service proposition. Direct Line operates in the Commercial Direct segment with a focused proposition for SMEs and Landlords delivered under both the Direct Line and Churchill brands direct to customers and via price comparison websites ("PCWs"). This portfolio has enabled Direct Line to develop a strong customer franchise encompassing over 9 million customers, including in the UK Personal Lines segment.

Direct Line recently appointed a new, highly experienced senior leadership team to execute an ambitious turnaround strategy aimed at unlocking value by achieving attractive and sustainable growth in profitability, capital generation and shareholder returns after a period of disappointing performance. This strategy builds on Direct Line's strong foundations. Following Adam Winslow's appointment as Direct Line's Chief Executive Officer and the completion of a comprehensive strategic review across the Direct Line Group, Direct Line outlined its strategy at its Capital Markets Day in July 2024. This strategy focused on accelerating a turnaround to target leading positions in Direct Line's core markets of Motor, Home, Commercial Direct and Rescue, and building a strong culture of performance. Direct Line set clear financial targets including a 7-10 percent Compound Annual Growth Rate for Non-Motor gross written premium ("GWP") between 2023 and 2026, the delivery of at least £100 million gross run-rate cost savings by the end of 2025, a 13 percent Net Insurance Margin in 2026 and the paying of around 60 percent of full year operating earnings as a regular dividend. In the medium term, Direct Line has been targeting a solvency capital ratio of around 180 percent; however, in the short term, as the turnaround plan is executed, Direct Line has been expecting to maintain a solvency capital ratio above that level.

As recently evidenced in Direct Line's H1 2024 and Q3 2024 trading updates, Direct Line has demonstrated early progress in executing this turnaround strategy at pace. This includes a return to group profitability in H1 2024, a well-developed product build for the Direct Line brand on PCWs for Motor, further progress on re-platforming the Home segment and the implementation of a series of initiatives supporting the expected delivery of around £50 million of gross cost savings in 2025. In doing so, Direct Line has demonstrated material progress towards the Direct Line Group's target of delivering at least £100 million gross run-rate cost savings by the end of 2025.

Despite this early strategic progress, the Direct Line Directors do not believe that Direct Line's share price and valuation was appropriately reflecting the potential for the business, with Direct Line's share price trading close to a 12-month low prior to Aviva's initial approach regarding a possible offer for Direct Line in November 2024.

Against this backdrop, whilst the Direct Line Directors have considerable conviction in the delivery of Direct Line's turnaround strategy under its new senior leadership team, it has concluded, alongside its advisers and following extensive consultation with Direct Line Shareholders during the Offer Period, that Aviva's offer to acquire the entire issued and to be issued share capital of Direct Line delivers shareholders an attractive valuation of Direct Line today when taking into account the risks inherent in a multi-year turnaround and the prevailing market backdrop.

In considering the terms of the offer, the Direct Line Directors have taken into account a number of factors, including but not limited to, the Acquisition representing:

- a significant premium of 73.3 percent to the Closing Price of 158.7 pence per Direct Line Share on 27 November 2024 (being the last closing share price before the commencement of the Offer Period);
- a premium of 49.7 percent to the six-month volume weighted average price of 183.7 pence per Direct Line Share to 27 November 2024; and
- the consideration mix consisting of a portion of fixed and certain cash consideration with the remaining consideration in Aviva Shares that together reflects the medium-term prospects of the Direct Line business. In particular, the Aviva share consideration provides Direct Line

Shareholders with approximately 12.5 percent of the Combined Group and a meaningful share of the significant synergies and substantial additional value upside potential, which are expected to accrue to these shareholders in excess of receiving an attractive headline premium on Completion.

In addition to the financial terms, the Direct Line Directors have also taken into account Aviva's intentions concerning Direct Line's business, management team, employees and other stakeholders of Direct Line (as set out in paragraph 7 of this Part I (*Letter from the Chair of Direct Line*) of this Document), and have concluded that the Combined Group is well-placed to deliver for all its stakeholders. In particular, the Direct Line Directors have considered Aviva's view that the Combined Group would be well-placed to compete in the fragmented, highly competitive and dynamic general insurance market, including in offering competitive premiums across the UK Personal Lines segment and commercial insurance.

Accordingly, following careful consideration of the above factors, the Direct Line Directors have concluded that the Acquisition is in the best interests of Direct Line Shareholders and are therefore pleased to be unanimously recommending that Direct Line Shareholders vote in favour of the Scheme at the Court Meeting and that Direct Line Shareholders vote in favour of the resolution(s) to be proposed at the General Meeting.

5. Background to and reasons for the Acquisition

Summary

In 2020, Aviva announced its strategic priorities, including plans to simplify its operations and become a leading Insurance, Wealth, and Retirement business. Since then, Aviva has refocused its portfolio on its core markets in the UK, Ireland and Canada, aiming to deliver profitable growth for shareholders whilst maintaining the financial strength to reinvest in the business, selectively pursue M&A and deliver additional shareholder returns.

As part of this strategy, Aviva has executed eight international disposals, rebuilt its financial strength, and enhanced its core businesses with bolt-on M&A, providing greater scale and capabilities. The proceeds from the disposals, combined with strong operational execution, have enabled Aviva to return £9 billion to shareholders between 2020 and 2023, while positioning the Aviva Group as the UK's leading diversified insurer across Insurance, Wealth and Retirement.

The Acquisition builds on Aviva's strong momentum and aligns with its clear strategy of investing for the future and supplementing organic growth with M&A.

The Aviva Board believes that the Acquisition will result in the following benefits:

Creating a leading UK Personal Lines franchise

Aviva's strong Personal Lines management team continues to deliver profitable organic growth, particularly within the Retail segment, including through its innovative Aviva Zero proposition. Aviva's Personal Lines business now serves 6.4 million customers in the UK and, in its Q3 2024 trading update, Aviva announced the delivery of a year-to-date UK Personal lines premium growth of 26 percent, driven by 43 percent growth in Retail and supported by 13 percent growth in Motor policy count.

The UK Personal Lines market benefits from attractive market fundamentals, generating at least £26 billion of GWP in 2023 and recording a growth rate of 11 percent from 2020 to 2023. The UK personal lines market is fragmented and faces rising costs, a distribution shift towards PCWs, regulatory pressures and increasing focus on brand recognition. The Combined Group will be well-placed to succeed in this market through enhanced scale with 18.1 million policies in force, utilising Direct Line's well-recognised and leading customer-centric brands, broadening Aviva's existing product offering through the addition of new attractive lines such as Pet, Rescue and SME Direct, and offering Direct Line's value-added services such as Green Flag to Aviva customers. The Acquisition will also accelerate Aviva's pivot towards more profitable Retail distribution, which is expected to rise from 51 percent in 2023 to over ~70 percent immediately post Completion. The Combined Group would have enhanced scale, with pro-forma Personal Lines GWP for FY2023 of £5.4 billion and would deliver an improved and compelling offering to a wider customer base.

Accelerating Aviva's capital-light strategy

Aviva is majority capital-light with ~55 percent of operating profit generated from its Insurance, Wealth and Aviva Investors businesses in 2023. Aviva has continued to make important and deliberate investments to accelerate growth in these capital-light businesses to achieve its existing ambition of generating 70 percent of operating profit from these businesses by 2026. The Acquisition will further accelerate Aviva's capital-light strategy, surpassing its 70 percent capital-light ambition by 2026.

Delivering better outcomes for customers

Aviva believes it has a strong cultural alignment with Direct Line, as both organisations share a deep commitment to customers. The Combined Group will be better positioned to serve the needs of its expanded customer base. This larger, more diversified, and financially robust organisation would offer customers competitive pricing and faster claims payment; supported by stronger supply chains, a complementary range of Aviva and Direct Line products and services, advanced digital capabilities and greater investment in technology.

Creating significant value for Aviva and Direct Line Shareholders

Aviva plans to achieve annual run-rate pre-tax cost synergies of at least £125 million by the end of the third full year post-Completion, which would drive compelling value creation for all shareholders in the Combined Group. These synergies would be incremental to Direct Line's previously announced cost savings programme of £100 million of run-rate cost by the end of 2025. The cost synergies from the Acquisition are expected to be achieved through a reduction in overlapping roles across the combined insurance operations, economies of scale and increased efficiency, the integration of duplicative back and middle office IT platforms, as well as rationalisation of supporting teams and the reduction of overlapping roles in a number of shared service, head office and senior management functions. In order to realise these cost synergy benefits, one-off integration costs of approximately £250 million are expected to be incurred, of which approximately 75 percent are expected within the first two years post-Completion.

In addition, the Aviva Board believes that significant further value can be created through the realisation of incremental capital, reinsurance, claims and revenue synergies. Further detail on the quantified synergies and the cost to achieve them is set out in paragraph 6 below.

The Acquisition is expected to result in EPS accretion of ~10 percent once pre-tax cost synergies of £125 million are fully realised, with underlying EPS accretion expected from the first full year post-Completion.

The Aviva Board believes Aviva has the experience and expertise to achieve a successful integration of Direct Line and to deliver on the expected synergies. Aviva's management team has undertaken a significant number of portfolio changes in recent years, including the disposal of eight businesses, the integration of acquisitions including AIG UK, Probitas, Optiom and Succession Wealth, and the delivery of a £750 million cost reduction programme one year ahead of schedule.

In addition, Aviva's UK Personal Lines management team has a strong track record, having navigated COVID and a period of high inflation whilst delivering profitable growth. This team has shown innovation through the building and scaling of Aviva Zero and the development of value driven pricing, data and artificial intelligence capabilities alongside effective cost management.

Other than the Aviva 2025 Profit Forecast and Aviva 2026 Profit Forecast, no statement in this Document is intended as, or is to be construed as, a profit forecast or profit estimate for any period and no statement in this Document should be interpreted to mean that earnings or earnings per Direct Line Share or Aviva Share for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Direct Line Shares or Aviva Shares.

Enhancing shareholder distributions

Aviva has a strong track record of delivering superior returns to shareholders with growing dividends and regular capital returns. Aviva's shareholders have received a total shareholder return of ~145 percent since Amanda Blanc's appointment as Chief Executive Officer and over ~16 percent in the financial year ended 31 December 2024. Aviva remains committed to delivering growing dividends and a sustainable return of capital to shareholders that reflects the Aviva Group's predictable and sustainable cash generation.

The Acquisition will enable the Aviva Group to raise dividends per Aviva Share and increase future buybacks, supported by increased cash and capital generation as well as material capital synergies to be realised over time. The Aviva Board currently expects to declare a mid-single digit percentage uplift in the dividend per Aviva Share following Completion. This uplift will apply to the enlarged share capital of Aviva post-Completion. The Aviva Board intends to maintain the current guidance of mid-single digit growth in the cash cost of the dividend from this rebased level.

Given the internal cash resources used towards funding the Acquisition, the Aviva Board does not expect to launch a share buyback in 2025. Aviva expects the transaction to result in a Group Solvency II coverage ratio towards the upper end of its 160-180 percent working range, before capital synergies are recognised over time. Aviva intends to maintain its guidance of regular and sustainable share buybacks from 2026 onwards, and its initial expectation is that the size of future buybacks will increase to reflect the increase in Aviva's share capital post-Completion, subject to PRA approval.

Aviva's Solvency II debt leverage ratio is expected to increase slightly to ~31-32 percent at Completion and is expected to return to below 30 percent over time. The Acquisition is not expected to impact Aviva Group's credit ratings. Aviva expects centre liquidity to remain above £1 billion post-Completion.

6. Potential synergies and integration planning

Aviva expects that the Acquisition will generate significant synergies, driving material value creation for the shareholders of both Aviva and Direct Line. The Aviva Board are confident that the Aviva management team can deliver the anticipated synergies, given its collective experience and expertise in the UK General Insurance market.

The Aviva Directors, having reviewed and analysed the potential synergies of the Acquisition, based on their knowledge of Direct Line's business and the UK General Insurance market, and taking into account the factors they can influence, believe that the Acquisition can generate annual run-rate pre-tax cost synergies of at least £125 million by the end of the third year post-Completion, with the synergies expected to be delivered broadly equally in each of the three years post-Completion. These anticipated recurring synergies would be incremental to Direct Line's previously announced cost savings target of £100 million per annum.

The potential sources of quantified synergies are currently envisaged to include:

- approximately 50 percent derived from the reduction of overlapping roles in a number of shared service, head office and senior management functions, as well as rationalisation of related external costs;
- approximately 30 percent derived from the reduction of overlapping roles across the combined insurance operations and increased efficiency resulting from the Combined Group's greater scale; and
- approximately 20 percent derived from the integration of duplicative back and middle-office IT platforms, as well as rationalisation of supporting teams.

The integration of the businesses will involve combining the Direct Line business and group functions into the Aviva UK Personal Lines business. It is intended that Direct Line's core brands will be maintained, including Direct Line, Churchill and Green Flag.

It is envisaged that the realisation of the potential quantified synergies will result in one-off integration costs of approximately £250 million (in aggregate) and approximately 75 percent of these are expected to be incurred in years 1 and 2 post-Completion. Aside from these one-off integration costs, no material dis-synergies are expected in connection with the Acquisition. The identified synergies will accrue as a direct result of the Acquisition and would not be achieved on a standalone basis.

In addition to these potential quantified synergies, the Aviva Directors believe that significant further value can be created through realisation of potential incremental synergies, including:

- material capital synergies arising from Aviva's complementary risk profile and efficient capital model, enabled by a combination of tools, including renewal of existing business into Aviva Insurance Limited, internal reinsurance and successful completion of a Part VII Transfer into Aviva Insurance Limited;
- alignment of externally purchased reinsurance programmes, potentially benefitting from economies of scale and Aviva's larger capital base;
- application of Aviva's indemnity management framework, across pricing, fraud prevention etc., as well as potential scale benefits and efficiencies from the Combined Group's enlarged repair network; and
- potential revenue opportunities from an enhanced product offering and extended suite of value-added services following the Acquisition.

These statements of estimated cost savings and identified synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the estimated cost savings and identified synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. For the purposes of Rule 28 of the Takeover Code, this paragraph 6, Appendix I (*Quantified Financial Benefits Statement*) of this Document and any other statements of estimated cost savings and synergies contained in this Document are solely the responsibility of Aviva and the Aviva Directors. Any statement of intention, belief or expectation for the Combined Group following the Effective Date is also an intention, belief or expectation of the Aviva Directors and not of the Direct Line Directors.

These statements are not intended as a profit forecast and should not be interpreted as such. No part of these statements, or this Document generally, should be construed or interpreted to mean that the Combined Group's earnings in the first year following the Effective Date, or in any subsequent period, would necessarily match or be greater than or be less than those of Aviva and/or Direct Line for the relevant preceding financial period or any other period.

Appendix I (*Quantified Financial Benefits Statement*) of this Document includes a copy of these statements of estimated cost savings and synergies arising out of the Acquisition and provides underlying information and bases of belief and calculation.

Appendix I (*Quantified Financial Benefits Statement*) of this Document also includes the anticipated Quantified Financial Benefits Statement, as required pursuant to Rule 28.1(a) of the Takeover Code, and contains details of, and bases of calculation of, the anticipated financial benefits of the Acquisition. On 23 December 2024, PwC as reporting accountants to Aviva, and Citi and Goldman Sachs International, as joint financial advisers to Aviva, provided the reports relating to the Quantified Financial Benefits Statement required by Rule 28.1(a) of the Takeover Code. Copies of their reports were included in Appendix 5 of the 2.7 Announcement. Each of PwC, Citi and Goldman Sachs International has confirmed to Aviva that their respective reports produced in connection with the Quantified Financial Benefits Statement continue to apply.

It is not anticipated that the Acquisition will require any immediate changes to the capital structure of the Aviva Group, the Direct Line Group or the Combined Group as a whole. Aviva and Direct Line intend to simplify and align their capital structures over time as part of broader integration planning.

7. Strategic plans, directors, management, employees, pensions, research and development and locations

Aviva's strategic plans for Direct Line

Aviva believes that the acquisition of Direct Line will build on its existing strengths within the Personal Lines segment and further accelerate the Aviva Group's shift towards its capital-light business lines. The Acquisition is expected to broaden Aviva's product range by bringing in new products such as Pet and Rescue and enhance Aviva's existing Direct SME capability. Aviva believes it has a strong cultural alignment with Direct Line, as both organisations share a deep commitment to customer service and

desire to deliver good outcomes for their customers. The complementary fit of these two businesses would create a Combined Group that Aviva believes is optimally positioned to serve the needs of its expanded customer base. This will remain a key priority for Aviva post-Acquisition.

Aviva intends to fully integrate Direct Line into its existing operations over the three years following Completion, with the integration process commencing shortly after Completion. As part of the integration process, Aviva intends to effect a Part VII Transfer from UK Insurance Limited, Direct Line's primary operating entity, into Aviva Insurance Limited and, until then, business is expected to renew into Aviva Insurance Limited where possible. Prior to completion of a Part VII Transfer and as part of its comprehensive integration planning, Aviva will consider other options to optimise the capital efficiency of the Direct Line business, including via internal and external reinsurance, subject to PRA approval.

Aviva intends to maintain Direct Line's core brands, including Direct Line, Churchill and Green Flag, and intends to continue with Direct Line's existing plans with regards to the Direct Line brand on PCWs. Aviva will conduct a review of other brands prior to Completion. Subject to further engagement with Direct Line's existing distribution partners, Aviva intends to maintain these partnerships, with the exception of those from which Direct Line has already publicly indicated its intent to exit, being the so-called "Run-off Partnerships" and Original Equipment Manufacture (OEM) Motor partnerships.

With respect to technology, Aviva intends to fully integrate any duplicative back and middle office IT platforms of Aviva and Direct Line over time. For core platforms (including policy administration and claims systems) and supporting technology, Aviva intends to conduct an internal review as soon as practicable following Completion, to determine the end-state systems across each of the Combined Group's products and distribution channels on a "best-of-both" basis. The review will include an assessment of a range of factors including architecture, security, resilience, digital capability, and risk analysis. No definitive decisions have been made as to which end-state systems will be retained. At all times, the Combined Group will continue to aim to provide an optimal experience for its customers.

Employees and management

Aviva recognises that the talented employee base of Direct Line will be critical to the success of the Acquisition. Aviva believes that the Acquisition will bring together two businesses with strongly aligned cultural values, with Direct Line employees benefitting from being part of a larger, more diversified Combined Group and one that offers a compelling and competitive value proposition to its employees.

The synergy analysis carried out by Aviva to date has confirmed the potential to generate expected cost synergies for the Combined Group. Aviva intends to work with Direct Line prior to Completion to undertake a detailed evaluation of the Direct Line Group and develop its plans to integrate their respective businesses. The Aviva Board anticipates that, in order to achieve the expected benefits of the Acquisition there will be a reduction in the workforce as a result of overlapping functions, including operational, shared service, group/head office and senior management functions; in aggregate this would constitute between approximately 5 percent and 7 percent of the Combined Group's employee base. Aviva expects these reductions would be mitigated by:

- phasing over an anticipated three years post-Completion;
- natural attrition, noting that ordinary course turnover at Aviva comprised approximately 1,300 employees across the UK in 2024 (up to end of November 2024); and
- seeking to redeploy employees where possible, noting:
 - approximately 800 UK-based vacancies currently across the Aviva Group; and
 - the potential creation of new positions as Aviva Group continues to deliver on its strong organic growth ambitions.

Any workforce changes would be subject to comprehensive planning and any required information and consultation with any affected employees and/or their representatives in accordance with applicable law. Save as set out above, Aviva does not intend to make material headcount reductions from the Combined Group. Following the Scheme becoming Effective, the existing contractual and statutory employment rights, including in relation to pensions and redundancy policies, of all Direct Line Group employees will be fully safeguarded in accordance with applicable law. Aviva does not intend to make any material changes to the conditions of employment of Direct Line Group employees, taken as a whole.

Aviva is considering as part of its integration plans the composition of the Direct Line board of directors following the Effective Date, having regard to meeting regulatory requirements. It is expected that some or all of the Direct Line Non-Executive Directors will resign with effect from the Effective Date. Aviva has not entered into, nor had any discussions regarding, any form of incentive arrangements with any member of Direct Line's management, but expects to put in place certain management incentive arrangements following the Effective Date.

Pensions

Direct Line has a legacy UK pension scheme which is closed to members and was closed to future accrual in 2003 (the "**Pension Scheme**"). The Pension Scheme has defined benefit and defined contribution sections. The Pension Scheme is managed by a trustee, who acts independently of Direct Line and is responsible for investment policy with regard to the assets of the Pension Scheme.

In October 2022, the trustee entered into a £53.9 million bulk annuity insurance buy-in transaction whereby most of the assets held in respect of defined benefit liabilities in the Pension Scheme were replaced with an insurance policy asset. The buy-in policy is designed to provide cash flows that exactly match the value and timing of the defined benefits payable to the Pension Scheme's members.

The trustee has indicated that it expects to be in a position to transfer responsibility for paying scheme benefits to its buy-in insurer during 2025. There was no deficit revealed by the last completed formal actuarial valuation of the Pension Scheme as at 1 October 2020. No employer contributions are currently being paid to the Pension Scheme. Aviva's intention is for the Pension Scheme to remain closed to new members and further accrual as it completes its transition process. Aviva intends to work constructively with the trustee of the Pension Scheme going forward, and if a deficit arises in the Pension Scheme before it is wound-up Aviva will consider any trustee request for further employer contributions.

Headquarters, locations, fixed assets and research and development

As part of its integration planning process, Aviva will look to simplify the Combined Group's office footprint. Where there is geographic overlap, Aviva intends, where feasible, to consolidate the existing sites and in these cases, the aim would be to relocate staff to nearby locations of the Combined Group as required, subject to any required information and consultation with affected employees and/or their representatives in accordance with applicable law. Aviva anticipates maintaining Direct Line's head office in central London for at least the twelve months from Completion. Aviva expects to review the Combined Group's repair centre sites to consider consolidations of a small number as part of its overall integration planning following Completion, but no decisions have been made at this stage. Save as set out above, Aviva does not have any current intention to redeploy any of the fixed assets of the Direct Line Group.

Direct Line does not have a dedicated research and development function, although it has a technology centre in Birmingham which carries out car technology development, testing and training. Aviva has no intentions to change these functions.

Trading Facilities

Direct Line Shares are currently admitted to trading on the London Stock Exchange's Main Market. As set out in paragraph 8 of Part II (*Explanatory Statement*) of this Document, an application will be made for the cancellation of trading of Direct Line Shares on the London Stock Exchange with effect from or shortly following the Effective Date.

None of the statements in this paragraph 7 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

8. Significant transaction under the Listing Rules

The Acquisition constitutes a "significant transaction" for Aviva for the purposes of the Listing Rules and the 2.7 Announcement constituted a notification pursuant to Chapter 7 of the Listing Rules. Certain further information required to be notified by Aviva pursuant to Chapter 7 of the Listing Rules is set out in paragraphs 9, 10 and 14.2 of Part VII (*Additional Information on Direct Line and Aviva*) of this Document. The Acquisition does not require separate approval by Aviva Shareholders.

9. Direct Line Share Plans

Participants in the Direct Line Share Plans will be contacted separately regarding the effect of the Scheme on their Awards under the Direct Line Share Plans and details of the arrangements and proposals applicable to them will be made available to them on the EquatePlus portal used in connection with the Direct Line Share Plans. A summary of the effect of the Scheme on outstanding Awards under the Direct Line Share Plans is set out in paragraph 12 of Part II (*Explanatory Statement*) of this Document.

10. Aviva 2025 Profit Forecast and 2026 Profit Forecast

On 7 March 2024, Aviva released its full year results and accompanying presentation for the 12 months ended 31 December 2023. Included within these results was the following statement, which for the purposes of Rule 28 of the Takeover Code constitutes an ordinary course profit forecast for the period up to 31 December 2026 (the “**Aviva 2026 Profit Forecast**”):

- Group operating profit: £2 billion by 2026*

In the 2.7 Announcement the Aviva Directors confirmed that, as at the date of the 2.7 Announcement, the Aviva 2026 Profit Forecast remained valid and that it had been properly compiled on the basis of the principal assumptions stated and that the basis of accounting used is consistent with the Aviva Group's accounting policies. As at the date of this Document, the Aviva Directors reconfirm the Aviva 2026 Profit Forecast remains valid.

The Aviva 2026 Profit Forecast was made before the Aviva Group approached Direct Line with regard to a possible offer and, accordingly, the requirements of Rule 28.1(c) of the Takeover Code apply in relation to it.

Therefore, in light of the proposed Acquisition, the Panel has confirmed that the Aviva Directors are required to repeat and expand the Aviva 2026 Profit Forecast to include a forecast for the year ending 31 December 2025 (the “**Aviva 2025 Profit Forecast**”). The basis of preparation for the Aviva 2025 Profit Forecast is consistent with that of the Aviva 2026 Profit Forecast, as set out in the 2.7 Announcement and repeated in this Document.

Under Rule 28.2(b) of the Takeover Code, Aviva is required to provide a corresponding profit forecast for the financial year ending 31 December 2024. The Panel has provided its consent to Aviva addressing this requirement by way of Aviva's audited financial results, due to be announced on 27 February 2025, being published at least 7 days prior to the Court Meeting and General Meeting.

For the purposes of Rule 28 of the Takeover Code, the Aviva 2025 Profit Forecast and Aviva 2026 Profit Forecast are the responsibility of the Aviva Group and the Aviva Directors. Part A of Appendix II (*Aviva Profit Forecasts*) of this Document sets out the Aviva 2025 Profit Forecast and provides underlying information and bases of belief. Parts B and C of Appendix II (*Aviva Profit Forecasts*) of this Document also includes reports from the Aviva Group's reporting accountant, PwC, and its joint financial advisers, Goldman Sachs International and Citi, in connection with the Aviva 2025 Profit Forecast, as required pursuant to Rule 28.1(a) of the Takeover Code. Each of PwC, Goldman Sachs International and Citi has given and not withdrawn its consent to the publication of their respective reports in this Document in the form and context in which it is included. Part D of Appendix II (*Aviva Profit Forecasts*) of this Document includes the Aviva 2026 Profit Forecast.

* Reference to operating profit represents the Aviva Group adjusted operating profit which is a non-GAAP Alternative Performance Measure (“**APM**”) and is not bound by the requirements of IFRS. Various items excluded from Aviva Group adjusted operating profit, but included in IFRS profit before tax, are a) investment variances and economic assumption changes, b) impairment, amortisation and profit or loss on disposal, c) integration and restructuring costs and d) other items. Further details of the measure are included in the ‘Other information’ section of the 2023 Aviva Annual Report.

11. Current trading and outlook

Direct Line

Since Direct Line's Q3 trading update announcement on 11 November 2024, Direct Line's financial performance has been in line with management's expectations.

Aviva

Since Aviva's Q3 trading update announcement on 14 November 2024, Aviva's financial performance has been in line with management's expectations.

As required by Rule 28 of the Takeover Code, the Aviva 2025 Profit Forecast and Aviva 2026 Profit Forecast are set out in Appendix II (*Aviva Profit Forecasts*) to this Document.

Following the Acquisition becoming Effective, the earnings, assets and liabilities of the Direct Line Group would be consolidated into the earnings, assets and liabilities of the Aviva Group. The earnings, assets and liabilities of the Aviva Group would thereby be increased. In addition, the cash and cash equivalents position of the Aviva Group would be decreased to reflect the payment of the Offer Consideration to Scheme Shareholders in connection with the Acquisition.

12. Action to be taken

Details of the approvals being sought at the Court Meeting and the General Meeting and the action to be taken by Direct Line Shareholders in respect of the Scheme are set out in paragraph 20 of Part II (*Explanatory Statement*) of this Document.

Details relating to the cancellation of listing of the Direct Line Shares are included in paragraph 8 of Part II (*Explanatory Statement*) of this Document. Details relating to the issuance, listing and dealings in the New Aviva Shares are included in paragraph 9 of Part II (*Explanatory Statement*) of this Document.

13. Overseas Shareholders

Overseas Shareholders should refer to page 4 (*Overseas Shareholders*), paragraph 18 of Part II (*Explanatory Statement*) and paragraph 5 of Part IV (*The Scheme of Arrangement*) of this Document, which contain important information relevant to such shareholders.

14. United Kingdom taxation

Your attention is drawn to Part VI (*United Kingdom Taxation*) of this Document, which contains a summary of limited aspects of the UK tax treatment of the Scheme. This summary relates only to the position of certain categories of Direct Line Shareholders (as explained further in Part VI (*United Kingdom Taxation*) of this Document), is intended only as a general guide, does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme on your individual circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the United Kingdom.

15. Recommendation

The Direct Line Directors, who have been so advised by Morgan Stanley & Co., Robey Warshaw and RBC Capital Markets as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the Direct Line Directors, Morgan Stanley & Co., Robey Warshaw and RBC Capital Markets have taken into account the commercial assessments of the Direct Line Directors. Morgan Stanley & Co. and Robey Warshaw are providing independent financial advice to the Direct Line Directors for the purposes of Rule 3 of the Takeover Code.

The Direct Line Directors consider that the terms of the Acquisition are in the best interests of Direct Line Shareholders as a whole. Accordingly, the Direct Line Directors unanimously recommend that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that Direct Line Shareholders vote in favour of the Special Resolution to be proposed at the General Meeting, as those Direct Line Directors who (or whose immediate family) beneficially hold Direct Line Shares have irrevocably undertaken to do (or procure to be done) in respect of their entire beneficial holdings representing, in aggregate, approximately 0.04 percent of Direct Line's issued ordinary share capital as at the Latest Practicable Date.

16. Further information

Your attention is drawn to the further information contained in Part II (*Explanatory Statement*), Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*), Part IV (*The Scheme of Arrangement*) and Part VII (*Additional Information on Direct Line and Aviva*) of this Document which provides further details concerning the Scheme.

You are advised to read the whole of this Document and the accompanying Forms of Proxy and not just rely on the summary information contained in this letter or the Explanatory Statement.

Yours faithfully,

Danuta Gray

Chair

Direct Line Insurance Group plc

PART II EXPLANATORY STATEMENT

(in compliance with section 897 of the Companies Act)

10 February 2025

To the holders of Direct Line Shares and, for information only, to holders of awards and options under the Direct Line Share Plans and persons with information rights.

Dear Shareholder,

RECOMMENDED CASH AND SHARE OFFER FOR DIRECT LINE INSURANCE GROUP PLC BY AVIVA PLC

1. Introduction

On 23 December 2024 the boards of Direct Line and Aviva announced that they had reached agreement on the terms of a recommended cash and share offer for the acquisition of Direct Line by Aviva to create the Combined Group. It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act.

Your attention is drawn to the letter set out in Part I (*Letter from the Chair of Direct Line*) of this Document, which forms part of this Explanatory Statement. The letter contains, among other things, (i) the Direct Line Directors' unanimous recommendation that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and Direct Line Shareholders vote in favour of the Special Resolution to be proposed at the General Meeting, and (ii) information on the background to, and reasons for, giving the above recommendation.

The Direct Line Directors have been advised by Morgan Stanley & Co., Robey Warshaw and RBC Capital Markets as to the financial terms of the Acquisition. We have been authorised by the Direct Line Directors to write to you to explain the terms of the Acquisition and to provide you with other relevant information.

This Part II (*Explanatory Statement*) contains a summary of the terms of the Scheme, while the terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this Document.

Statements made or referred to in this letter regarding Aviva's reasons for the Acquisition, information concerning the business of the Aviva Group, the financial effects of the Acquisition on Aviva and/or the Combined Group and/or intentions or expectations of or concerning the Aviva Group and/or the Combined Group reflect the views of the Aviva Directors.

Statements made or referred to in this letter regarding the background to and reasons for the recommendation of the Direct Line Directors, information concerning the business of the Direct Line Group and/or intentions or expectations of or concerning the Direct Line Group prior to completion of the Acquisition reflect the views of the Direct Line Directors.

2. Summary of the terms of the Acquisition and the Scheme

The Scheme

It is proposed that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act between Direct Line and Scheme Shareholders, pursuant to which Aviva will acquire all of the issued and to be issued Direct Line Shares. The Scheme requires, among other things, the approval of Scheme Shareholders at the Court Meeting, the approval of the Special Resolution by Direct Line Shareholders at the General Meeting, as well as the sanction of the Court at the Court Sanction Hearing in order to become Effective.

Under the terms of the Acquisition, which is subject to the satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, Direct Line Shareholders are entitled to receive:

For each Direct Line Share held:	0.2867 New Aviva Shares; 129.7 pence in cash; and up to 5 pence (in aggregate) in the form of dividend payments to be paid (subject to the approval of the Direct Line Board) prior to Completion.
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If the Scheme becomes Effective, it will result in the allotment and issue of approximately 381,214,535 New Aviva Shares to Scheme Shareholders, which would result in Scheme Shareholders holding approximately 12.5 percent and Aviva Shareholders holding approximately 87.5 percent of the Combined Group immediately following the Effective Date, based on the issued share capital of each of Direct Line and Aviva, respectively, as at the Latest Practicable Date.

Aviva and Direct Line have also agreed certain arrangements with regards to the payment of further dividends and returns of capital prior to the Effective Date, as set out in paragraph 3 of Part I (*Letter from the Chair of Direct Line*) of this Document.

Based on the Closing Price of Aviva Shares of 489.3 pence on 27 November 2024 (being the last closing share price before the commencement of the Offer Period), the terms of the Acquisition value each Direct Line Share at 275 pence and value the entire diluted share capital of Direct Line at approximately £3.7 billion. This represents a premium of approximately:

- 73.3 percent to the Closing Price of 158.7 pence per Direct Line Share on 27 November 2024; and
- 49.7 percent to the six month volume weighted average price of 183.7 pence per Direct Line Share to 27 November 2024.

Based on the Closing Price of Aviva Shares of 507.8 pence on the Latest Practicable Date, the terms of the Acquisition value each Direct Line Share at 280 pence and value the entire diluted share capital of Direct Line at approximately £3.7 billion. This represents a premium of approximately:

- 76.6 percent to the Closing Price of 158.7 pence per Direct Line Share on 27 November 2024; and
- 52.6 percent to the six month volume weighted average price of 183.7 pence per Direct Line Share to 27 November 2024.

The New Aviva Shares will be issued following implementation of the Scheme to Scheme Shareholders (other than Restricted Shareholders) on the Register at the Scheme Record Time. Fractions of New Aviva Shares will not be allotted or issued to Direct Line Shareholders. Fractional entitlements will be rounded down to the nearest whole number of New Aviva Shares and all fractions of New Aviva Shares will be aggregated and sold in the market as soon as practicable after the Acquisition becomes Effective. The net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) will be distributed in due proportions to Scheme Shareholders who would otherwise have been entitled to such fractions, save that if the entitlement of any Scheme Shareholder in respect of the proceeds of sale of fractional entitlements amounts to less than £5, such proceeds will be retained for the benefit of the Combined Group.

The Acquisition is subject to the Conditions set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, including the sanction of the Scheme by the Court and Admission of the New Aviva Shares.

3. Dividends

Please refer to paragraph 3 of Part I (*Letter from the Chair of Direct Line*) of this Document for further details on the treatment of any dividends announced, declared, paid or made or which become payable by either Direct Line or Aviva before the Effective Date.

4. Background to and reasons for the recommendation

Information relating to the background to and reasons for the Direct Line Directors' recommendation of the Acquisition is set out in paragraph 4 of Part I (*Letter from the Chair of Direct Line*) of this Document.

5. Financial benefits and effects of the Acquisition and potential synergies

Information relating to the financial benefits and effects of the Acquisition and potential synergies is set out in paragraph 6 of Part I (*Letter from the Chair of Direct Line*) of this Document.

6. Financing

The cash consideration payable under the terms of the Acquisition will be funded from Aviva's existing cash resources. In addition, Aviva has entered into the Bridge Facility Agreement in an amount of up to £1,850,000,000 to satisfy the certain funds requirement of the Takeover Code.

Goldman Sachs International and Citi, in their capacity as joint financial advisers to Aviva, are satisfied that sufficient resources are available to Aviva to enable it to satisfy in full the cash consideration payable under the terms of the Acquisition.

Further information on the key terms of the Bridge Facility Agreement and the financing of the Acquisition is set out in paragraph 9.2 of Part VII (*Additional Information on Direct Line and Aviva*) of this Document.

7. Aviva's intentions and strategic plans for Direct Line and the Combined Group

Information relating to Aviva's intentions for Direct Line and the Combined Group if the Scheme becomes Effective is set out in paragraph 7 of Part I (*Letter from the Chair of Direct Line*) of this Document.

8. De-listing of Direct Line Shares

The last day of dealings in Direct Line Shares on the Main Market of the London Stock Exchange is expected to be on the day of the Court Sanction Hearing, such that no transfers of Direct Line Shares will be registered after 6.00 p.m. on that date (other than the registration of the transfer of the Direct Line Shares to Aviva pursuant to the Scheme). Following this, all of the Direct Line Shares will be suspended from the Official List and from trading on the London Stock Exchange's Main Market for listed securities, and Direct Line Shares will be disabled in CREST.

Prior to the Scheme becoming Effective in accordance with its terms, Direct Line will make an application for the suspension of trading of the Direct Line Shares on the London Stock Exchange's Main Market for listed securities to take effect on the Effective Date and for the cancellation of the listing of Direct Line Shares on the Official List to take effect on the Business Day following the Effective Date (and subject to the Scheme becoming Effective).

On Completion, Direct Line will become a wholly-owned subsidiary of Aviva and share certificates in respect of Direct Line Shares will cease to be valid. In addition, entitlements to the Direct Line Shares held within the CREST system will be disabled from the Scheme Record Time and expired and removed soon thereafter.

9. Listing and dealings in New Aviva Shares

The New Aviva Shares to be issued under the Scheme will be issued and credited as fully paid and will rank *pari passu* in all respects with the existing Aviva Shares, including the right to receive and retain in full all dividends and other distributions (if any) made, paid, or declared by reference to a record date falling on or after the Effective Date.

Prior to Completion, applications will be made by Aviva to the FCA and to the London Stock Exchange for the New Aviva Shares to be admitted to the Equity Shares (Commercial Companies) category of the Official List and to trading on the Main Market.

It is expected that Admission will become effective and dealings in the New Aviva Shares will commence on the London Stock Exchange at or shortly after 8.00 a.m. on the first Business Day following the Effective Date.

No application has been made, or is currently intended to be made, by Aviva for the New Aviva Shares to be admitted to listing or trading on any other exchange.

10. Information relating to Direct Line

Direct Line is one of the UK's leading insurance companies. The Direct Line Group's vision is to create a world where insurance is personal, inclusive and a force for good. Through its well-known brands which include Direct Line, Churchill, Privilege, Darwin, Direct Line for Business and Green Flag, Direct Line helps people to carry on with their lives, giving them peace of mind now and in the future. Its brands offer a wide range of general insurance products across Motor, Home, Commercial Direct, Travel, Pet and Rescue, both direct to customers and through PCWs and it underwrites insurance products distributed by its third-party partners. The Direct Line Group believes that by embracing sustainable practices it creates a better corporate culture able to provide more reliable products and bring long-term rewards for its customers, people and shareholders. For the year ended 31 December 2023, the Direct Line Group generated GWP and associated fees of £3.1 billion. As at 30 June 2024, the estimated Solvency II shareholder capital surplus was £1.1 billion and the Direct Line Group's solvency capital ratio (shareholder view) was 198 percent.

11. Information relating to Aviva

Aviva is one of the UK's leading diversified insurers across Insurance, Wealth and Retirement, with 19.2 million customers in the UK, Ireland and Canada. Aviva's purpose is to protect the things that matter most to its customers: their homes and belongings, their health and wealth, their future and their families. Aviva has a clear strategy to achieve its purpose based on accelerating its growth in capital light business, providing a digitally-led customer experience, efficiency and sustainability. As at 30 June 2024, the total group assets under management of the Aviva Group were £398 billion, the estimated Solvency II shareholder capital surplus was £8.2 billion and the Aviva Group's solvency capital ratio (shareholder view) was 205 percent.

12. Direct Line Share Plans and other incentive arrangements

Participants in the Direct Line Share Plans will be contacted separately regarding the effect of the Scheme on their Awards under the Direct Line Share Plans and details of the arrangements applicable to them will be made available to them on the EquatePlus portal used in connection with the Direct Line Share Plans.

A summary of the effect of the Scheme on outstanding Awards under the Direct Line Share Plans is set out below. In the event of any conflict between the summary set out below and the rules of the relevant Direct Line Share Plan, the Direct Line Directors' remuneration policy (where applicable) and/or the communications to participants in the Direct Line Share Plans regarding the effect of the Scheme on their rights under the Direct Line Share Plans and details of the arrangements applicable to them (the **"Direct Line Share Plan Notices"**), the rules of the relevant Direct Line Share Plan, the Direct Line Directors' remuneration policy (where applicable) and the terms of the Direct Line Share Plan Notices (as the case may be) will prevail.

The Scheme will apply to any Direct Line Shares which are unconditionally allotted, issued or transferred to satisfy the vesting and/or exercise of Awards under the Direct Line Share Plans before the Scheme Record Time. As the Scheme will not extend to Direct Line Shares issued or transferred on or after the Scheme Record Time, it is proposed to amend the Articles of Association at the General Meeting to provide that, subject to the Scheme becoming Effective and the proposed amendments to the Articles of Association being approved at the General Meeting, any Direct Line Shares issued or transferred to any person on or after the Scheme Record Time (including in satisfaction of the vesting and/or exercise of an Award under one of the Direct Line Share Plans) will be automatically transferred to, or to the order of, Aviva on the same basis as under the Scheme.

Further information in respect of the proposed amendments to the Articles of Association is contained in the Notice of General Meeting at Part X (*Notice of General Meeting*) of this Document.

Direct Line LTIP

2022-2024 LTIP Awards

Outstanding Awards granted under the Direct Line LTIP that have otherwise not vested or become exercisable prior to the Court Sanction Date will (as a result of the Acquisition and in accordance with participants' contractual rights under the Direct Line LTIP) vest and become exercisable (as applicable) from the Court Sanction Date until the date one month after the Court Sanction Date (unless they lapse earlier in accordance with the rules of the Direct Line LTIP), subject to the Direct Line Remuneration Committee's decisions regarding performance assessment and time pro-rating, on which:

- it is the current intention of the Direct Line Remuneration Committee to determine that the 2022 LTIP Awards and 2023 LTIP Awards will vest with no application of time pro-rating (save where otherwise agreed by the Direct Line Remuneration Committee in a settlement agreement entered into between Direct Line and a Direct Line Employee), subject to performance assessment by the Direct Line Remuneration Committee; and
- it is the current expectation of the Direct Line Remuneration Committee that the 2024 LTIP Awards will vest on the Court Sanction Date, subject to time pro-rating (save where otherwise agreed by the Direct Line Remuneration Committee in a settlement agreement entered into between Direct Line and a Direct Line Employee) and performance assessment by the Direct Line Remuneration Committee.

Any Awards granted under the Direct Line LTIP which are not exercised within one month after the Court Sanction Date will lapse (unless they lapse earlier in accordance with the rules of the Direct Line LTIP).

Potential 2025-2026 LTIP Awards

Assuming Completion has not already occurred, Direct Line intends to grant Awards under the Direct Line LTIP in the ordinary course of business and in accordance with its usual practice (i) in or around March 2025 (the **"2025 LTIP Awards"**) and (ii) in or around March 2026 (the **"2026 LTIP Awards"**). It is the current intention of the Direct Line Remuneration Committee that 2025 LTIP Awards and 2026 LTIP Awards (in each case, if granted) will vest on the Court Sanction Date, subject to time pro-rating and subject to the satisfaction of performance conditions which will be assessed by the Direct Line Remuneration Committee on, or shortly before the Court Sanction Date save that it is the current expectation of the Direct Line Remuneration Committee that: (a) if Completion takes place before 1 August 2026, all 2025 LTIP Awards will vest at a level which is no less than the performance outcome for the 2024 LTIP Awards as determined by the Direct Line Remuneration Committee on or shortly before the Court Sanction Date; and (b) if Completion takes place on or after 1 August 2026, all 2026 LTIP Awards will vest at a level which is no less than the performance outcome for the 2025 LTIP Awards as determined by the Direct Line Remuneration Committee on or shortly before the Court Sanction Date.

Dividend equivalents

Any dividend equivalents in respect of any Award granted under the LTIP which vests and becomes exercisable: (i) on the Court Sanction Date because of the Acquisition; or (ii) before the Court Sanction Date in the ordinary course, in each case calculated in accordance with Direct Line's normal practice and the rules of the LTIP, will be settled by Direct Line in Direct Line Shares (or in cash if so determined by the Direct Line Remuneration Committee).

Replacement of portion which lapses due to time pro-rating

As soon as reasonably practicable after Completion, Aviva will grant Equity Transition Awards over New Aviva Shares to all individuals (each a **"Relevant LTIP Participant"**) who: (i) held outstanding unvested 2024 LTIP Awards, 2025 LTIP Awards or 2026 LTIP Awards immediately prior to the Court Sanction Date (each a **"Relevant LTIP Award"**), a portion of which lapsed on the Court Sanction Date as a result of the application of time pro-rating (after the assessment of applicable performance conditions by the Direct Line Remuneration Committee); and (ii) were employed by any member of the Direct Line Group on Completion (or immediately before Completion and who became employees of the Aviva Group on or around Completion) (see further below).

Direct Line RSP and Buyout Awards

RSP Awards and Buyout Awards

Outstanding Awards granted under the Direct Line RSP, and (including Buyout Awards that have been granted on equivalent terms to the RSP,) that have not vested or become exercisable in the ordinary course prior to the Court Sanction Date will (in consequence of the Acquisition and in accordance with participants' contractual rights under the Direct Line RSP or applicable grant documentation) vest and become exercisable (as applicable) from the Court Sanction Date until the date that is one month after the Court Sanction Date (unless they lapse earlier in accordance with the rules of the Direct Line RSP or applicable grant documentation), subject to the Direct Line Remuneration Committee's decisions regarding performance assessment (where applicable) and time pro-rating, on which, it is the current intention of the Direct Line Remuneration Committee to determine that all outstanding RSP Awards and Buyout Awards will vest on the Court Sanction Date, subject to time pro-rating (save where otherwise agreed by the Direct Line Remuneration Committee in a settlement agreement entered into between Direct Line and a Direct Line Employee) and, if relevant, subject to the satisfaction of performance conditions which will be assessed by the Direct Line Remuneration Committee on, or shortly before, the Court Sanction Date.

Any Awards granted under the Direct Line RSP, or Buyout Awards that have been granted on equivalent terms to the RSP, which are not exercised within one month after the Court Sanction Date will lapse (unless they lapse earlier in accordance with the rules of the Direct Line RSP or applicable grant documentation).

Dividend equivalents

Any dividend equivalents in respect of any Award granted under the RSP or any Buyout Award which vest and become exercisable: (i) on the Court Sanction Date because of the Acquisition; or (ii) before the Court Sanction Date in the ordinary course, in each case calculated in accordance with Direct Line's normal practice and the rules of the RSP or the applicable grant documentation, will be settled by Direct Line in Direct Line Shares (or in cash if so determined by the Direct Line Remuneration Committee).

Replacement of portion which lapses due to time pro-rating

As soon as reasonably practicable after Completion, Aviva will grant Equity Transition Awards over Aviva Shares to all individuals (each a **"Relevant RSP Participant"**) who: (i) held outstanding unvested RSP Awards or unvested Buyout Awards immediately prior to the Court Sanction Date (each a **"Relevant RSP Award"**); and (ii) were employed by any member of the Direct Line Group on Completion (or immediately before Completion and who became employees of the Aviva Group on or around Completion) (see further below).

Further RSP Buyout Awards

It is the current intention of Direct Line to grant further Buyout Awards after the date of the Co-operation Agreement in order to honour commitment made as part of the recruitment of Direct Line employees. Direct Line currently has no intention to grant further Awards under the RSP, save for such Buyout Awards or to honour commitments made to Direct Line Employees prior to the date of the Co-operation Agreement.

Equity Transition Awards

As soon as reasonably practicable after Completion, Aviva will grant equity transition awards over New Aviva Shares to all Relevant LTIP Participants and Relevant RSP Participants who: (i) held outstanding unvested Relevant LTIP Awards and Relevant RSP Awards, respectively, a portion of which lapsed on the Court Sanction Date as a result of the application of time pro-rating (after the assessment of applicable performance conditions by the Direct Line Remuneration Committee); and (ii) were employed by any member of the Direct Line Group on Completion (or immediately before Completion and who became employees of the Aviva Group on or around Completion) (**"Equity Transition Awards"**).

Each eligible participant's Equity Transition Award will be granted under an employee share plan operated by Aviva and will be equal in value to the value of the Relevant LTIP Awards or Relevant RSP Awards respectively held by the relevant individual which was lost due to the application of time pro-rating (as applied after the assessment of any applicable performance conditions by the Direct Line Remuneration Committee).

Equity Transition Awards will not be subject to performance assessment. Subject to the paragraph below, each Equity Transition Award will vest in full, with no time pro-rating, on the normal vesting date of the Relevant LTIP Awards or Relevant RSP Award to which it relates, subject to the relevant individual (i) remaining in employment with a member of the Aviva Group (which, from Completion, will include the Direct Line Group); or (ii) leaving employment with the Aviva Group before the normal vesting date due to certain "good leaver" circumstances (including redundancy) described in the Co-operation Agreement.

Notwithstanding the paragraph above, time pro-rating will apply (based on the period from Completion to the date of cessation of the relevant individual's employment as compared to the period from Completion to the relevant normal vesting date):

- to any Equity Transition Award relating to a 2025 LTIP Award, if: (i) Completion takes place before 1 August 2026; and (ii) the relevant individual leaves employment with the Aviva Group before the normal vesting date of the 2025 LTIP Awards due to certain "good leaver" circumstances (including redundancy) described in the Co-operation Agreement; and/or
- to any Equity Transition Award relating to a 2026 LTIP Award, if the relevant individual leaves employment with the Aviva Group before the normal vesting date of the 2026 LTIP Awards due to certain "good leaver" circumstances (including redundancy) described in the Co-operation Agreement.

Equity Transition Awards granted to Relevant LTIP Participants and Relevant RSP Participants who are subject to deferral requirements under the Remuneration Regulations will be settled by Aviva in New Aviva Shares. Equity Transition Awards granted to Relevant LTIP Participants and Relevant RSP Participants who are not subject to such deferral requirements may be settled by Aviva in New Aviva Shares or in cash.

Dividend equivalents in respect of the Equity Transition Awards will be payable in accordance with the rules of the relevant Aviva share plan.

Direct Line DAIP

Outstanding Awards granted under the Direct Line DAIP that have not vested or become exercisable in the ordinary course before the Court Sanction Date will (as applicable) vest and/or become exercisable in full on the Court Sanction Date.

Any dividend equivalents in respect of any Award granted under the Direct Line DAIP which vest and become exercisable: (i) on the Court Sanction Date because of the Acquisition; or (ii) before the Court Sanction Date in the ordinary course, in each case calculated in accordance with Direct Line's normal practice, will be settled by Direct Line in Direct Line Shares (or in cash if determined by the Direct Line Remuneration Committee)

Direct Line SIP

Direct Line may continue to operate the SIP in the ordinary course until the Scheme Record Time and shareholders under the SIP will participate in the Scheme on the same terms as other Direct Line Shareholders.

13. The Direct Line Directors and the effect of the Scheme on their interests

Details of the interests of the Direct Line Directors in the share capital of Direct Line, and Awards in respect of such share capital, are set out in Part VII (*Additional Information on Direct Line and Aviva*) of this Document. Scheme Shares held by the Direct Line Directors at the Scheme Record Time will be subject to the Scheme.

Details about the irrevocable undertakings given to Aviva by the Direct Line Directors in relation to the Acquisition, including the circumstances in which they cease to be binding, are set out in paragraph 5 of Part VII (*Additional Information on Direct Line and Aviva*) of this Document.

Particulars of the service agreements (including termination provisions) and letters of appointment of the Direct Line Directors are set out in paragraph 7 of Part VII (*Additional Information on Direct Line and Aviva*) of this Document.

Save as set out above, the effect of the Scheme on the interests of Direct Line Directors does not differ from its effect on the like interests of any other Direct Line Shareholder.

14. Description of the Scheme and the Meetings

Scheme

The Acquisition is to be implemented by means of a Court-sanctioned scheme of arrangement between Direct Line and the Scheme Shareholders who are on the Register at the Scheme Record Time, under Part 26 of the Companies Act. This procedure requires approval by Scheme Shareholders at the Court Meeting and Direct Line Shareholders at the General Meeting, and sanction of the Scheme by the Court. The Scheme is set out in full in Part IV (*The Scheme of Arrangement*) of this Document.

The purpose of the Scheme is to provide for Aviva to become the holder of the entire issued and to be issued share capital of Direct Line. In order to achieve this, the Scheme Shares held by Scheme Shareholders as at the Scheme Record Time will be transferred to Aviva. In consideration for this transfer, Aviva will pay the cash element of the Offer Consideration and allot and issue New Aviva Shares to Scheme Shareholders (at the Scheme Record Time) on the basis set out in paragraph 2 of this Part II (*Explanatory Statement*) of this Document.

Meetings

The Scheme will require the approval of Scheme Shareholders at the Court Meeting and Direct Line Shareholders at the separate General Meeting, both of which will be held at Riverbank House, 2 Swan Lane, London, EC4R 3AD on 10 March 2025 at 11.00 a.m. and 11.15 a.m., respectively (or, in the case of the General Meeting, if later, as soon thereafter as the Court Meeting has been concluded or adjourned).

The Court Meeting is being held with the permission of the Court to seek the approval of Scheme Shareholders for the Scheme. The approval required at the Court Meeting is a majority in number of the Scheme Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent 75 percent or more in value of the Scheme Shares voted by those Scheme Shareholders.

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to attend and/or vote at the Meetings, you are therefore strongly encouraged to return your Proxy Forms as soon as possible.

The General Meeting is being convened to seek the approval of Direct Line Shareholders to enable the Direct Line Directors to implement the Scheme and to amend the Articles of Association by way of special resolution as described below. Voting at the General Meeting will be by poll and each Direct Line Shareholder present in person or by proxy will be entitled to one vote for each Direct Line Share held as at the Voting Record Time. The approval required for the Special Resolution to be passed is at least 75 percent of the votes cast on such resolution (in person or by proxy). In respect of the Special Resolution, each Direct Line Shareholder will be entitled to cast one vote for each Direct Line Share held.

Court Sanction Hearing

Following the Meetings, the Scheme must be sanctioned by the Court and will only become Effective upon delivery of the Court Order to the Registrar of Companies. The Scheme is subject to a number of Conditions which are set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document. Subject to the satisfaction or, where applicable, waiver of the relevant Conditions, it is expected that the Scheme will become Effective in mid-2025 and, in any event, prior to the Long Stop Date, with New Aviva Shares admitted to listing on the Equity Shares (Commercial Companies) category of the Official List and to trading on the Main Market by 8.00 a.m. on the first Business Day after the Effective Date.

Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders holding Scheme Shares at the Scheme Record Time, irrespective of whether or not they attended or voted in favour of, or against, the Scheme at the Court Meeting or in favour of, or against, or abstained from voting on the Special Resolution at the General Meeting.

If the Scheme does not become Effective by the Long Stop Date or such later date, if any, as may be agreed in writing by Direct Line and Aviva (with the Panel's consent and as the Court may approve (if such approval(s) is/are required)), the Scheme will never become Effective.

Amendments to the Articles of Association

The Special Resolution to be proposed at the General Meeting contains provisions to amend the Articles of Association to ensure that any Direct Line Shares issued (other than to Aviva or its nominees): (i) between the General Meeting and the Scheme Record Time will be subject to the Scheme; and (ii) after the Scheme Record Time will automatically be acquired by Aviva on the same terms as under the Scheme. These provisions will avoid any person (other than Aviva or its nominees) holding Direct Line Shares after dealings in such shares have ceased on the London Stock Exchange.

The Special Resolution is set out in the notice of General Meeting in Part X (*Notice of General Meeting*) of this Document and seeks the approval of Direct Line Shareholders for such amendments.

Entitlement to vote at the Meetings

Each Scheme Shareholder (in respect of the Court Meeting) and Direct Line Shareholder (in respect of the General Meeting) who is entered in the Register at the Voting Record Time (being 6.00 p.m. on 6 March 2025) will be entitled to attend and vote (in person or by proxy) on all resolutions to be put to the Court Meeting and General Meeting respectively. If either Meeting is adjourned, only those Direct Line Shareholders on the Register at 6.00 p.m. on the day which is two Business Days before the relevant adjourned Meeting will be entitled to attend (in person or by proxy). Each eligible Direct Line Shareholder is entitled to appoint a proxy or proxies to attend and, on a poll, to vote instead of him or her. A proxy need not be a Direct Line Shareholder.

The completion and return of the Forms of Proxy will not prevent you from attending and voting at the Court Meeting or the General Meeting if you are entitled to and wish to do so.

If you are in any doubt as to whether or not you are permitted to vote at the Meetings (in person or by proxy), please contact Direct Line's Registrars, Computershare, by calling the Shareholder Helpline on +44 (0)370 873 5880. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please note that calls may be monitored or recorded and Computershare cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice. Further information on the actions to be taken is set out in paragraph 20 of this Part II (*Explanatory Statement*) of this Document.

Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Computershare cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Modifications to the Scheme

The Scheme contains a provision for Direct Line and Aviva jointly to consent (on behalf of all persons concerned) to any modification of, or addition to, the Scheme or to any condition which the Court may approve or impose. The Court would be unlikely to approve or impose any modification of, or addition or condition to, the Scheme which might be material to the interests of Scheme Shareholders unless Scheme Shareholders were informed of any such modification, addition or condition. It would be for the Court to decide, in its discretion, whether or not a further meeting of Scheme Shareholders should be held in those circumstances for the purpose of approving any such modification, addition or condition.

15. Conditions to the Acquisition

The Acquisition and, accordingly, the Scheme is subject to a number of conditions set out in full in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, including (among others):

- (A) approval of the Scheme by a majority in number of the Scheme Shareholders present and voting (and entitled to vote) at the Court Meeting, either in person or by proxy, representing at least 75 percent in value of the Scheme Shares voted by those Scheme Shareholders;
- (B) the Special Resolution being duly passed at the General Meeting by Direct Line Shareholders representing not less than 75 percent of the votes validly cast by those entitled to vote at such General Meeting, either in person or by proxy;
- (C) receipt of certain regulatory approvals as described in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, including approvals from the PRA and the FCA (being the primary regulators of the Direct Line Group's businesses), as well as the CMA;
- (D) the FCA having acknowledged that the application for Admission has been approved and the London Stock Exchange having acknowledged that the New Aviva Shares will be admitted to trading on the Main Market;
- (E) the sanction of the Scheme by the Court (without modification, or with modification on terms agreed by Aviva and Direct Line); and
- (F) the delivery of a copy of the Court Order to the Registrar of Companies.

The Scheme will lapse if:

- (A) the Court Meeting and the General Meeting are not held on or before 4 April 2025, being the 22nd day after the expected date of such Meetings, as set out in this Document (or such later date, if any, (a) as Aviva and Direct Line may agree or (b) (in a competitive situation) as may be specified by Aviva with the consent of the Panel, and in each case that (if so required) the Court may allow);
- (B) the Court Sanction Hearing is not held on or before the 22nd day after the expected date of such hearing as set out in this Document (or such later date, if any, (a) as Aviva and Direct Line may agree or (b) (in a competitive situation) as may be specified by Aviva with the consent of the Panel, and in each case that (if so required) the Court may allow); or
- (C) the Scheme does not become Effective on or before the Long Stop Date,

provided, however, that the deadlines for the timing of the Court Meeting, the General Meeting and the Court Sanction Hearing, as set out above, may be waived by Aviva, and the deadline for the Scheme to become Effective may be extended by agreement between Direct Line and Aviva.

Subject to satisfaction (or waiver, where applicable) of the relevant Conditions, the Scheme is expected to become Effective in mid-2025 and, in any event, prior to the Long Stop Date.

Implementation by Takeover Offer

Aviva reserves the right to elect (with the consent of the Panel and subject to the terms of the Co-operation Agreement) to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued ordinary share capital of Direct Line as an alternative to the Scheme. In such event, the Acquisition will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Scheme, subject to appropriate amendments to reflect, among other things, the change in method effecting the Acquisition (including, without limitation) inclusion of an acceptance condition set at 75 percent of the Direct Line Shares (or such lesser percentage as Aviva may decide after, to the extent necessary, consultation with the Panel, being in any case more than 50 percent of the Direct Line Shares), the inclusion of a long-stop date on which the Takeover Offer will cease to proceed, will lapse or will be withdrawn in certain circumstances, and those amendments required by, or deemed appropriate by, Aviva under applicable law.

If the Acquisition is implemented by way of a Takeover Offer and such Takeover Offer becomes or is declared unconditional in all respects and sufficient acceptances are received, Aviva intends to: (i) make a request to the FCA to cancel the listing of the Direct Line Shares on the Official List; (ii) make a request to the London Stock Exchange to cancel trading in Direct Line Shares on the Main Market; and (iii) exercise its rights, if available, to apply the provisions of Chapter 3 of Part 28 of the Companies Act to acquire compulsorily the remaining Direct Line Shares in respect of which the Takeover Offer has not been accepted.

16. Settlement of the Offer Consideration

Subject to the Acquisition becoming Effective, settlement of the Offer Consideration to which any Scheme Shareholder is entitled will be effected as soon as practicable and in any event not later than 14 days after the Effective Date in the manner set out below.

Overseas Shareholders should refer to paragraph 18 of Part II (*Explanatory Statement*) of this Document, which contains important information relevant to such holders.

16.1 Settlement—New Aviva Shares

Scheme Shares held in uncertificated form in CREST

Settlement of the New Aviva Shares to Direct Line Shareholders who hold Scheme Shares in uncertificated form at the Scheme Record Time will be effected by the issuance of the New Aviva Shares to which such Scheme Shareholders are entitled in uncertificated form through CREST. Aviva shall instruct Euroclear, or procure that Euroclear is instructed, to credit the appropriate CREST account through which the Scheme Shareholder holds such uncertificated Direct Line Shares with such person's entitlement to New Aviva Shares as soon as practicable following the commencement of dealings in New Aviva Shares and no later than 14 days after the Effective Date.

Subject to the terms of the Scheme, Aviva reserves the right to issue the New Aviva Shares referred to above to all or any Scheme Shareholder(s) who hold Direct Line Shares via an alternative method if, for reasons outside its reasonable control, it is not able to effect settlement within the CREST system.

Scheme Shares held in certificated form

Settlement of the New Aviva Shares to Direct Line Shareholders who hold Scheme Shares in certificated form at the Scheme Record Time will be effected by the issuance of the New Aviva Shares to which such Scheme Shareholder is entitled in certificated form.

Definitive certificates for New Aviva Shares will be despatched by first class post (or a service similar to first class post) or international standard post (as applicable) (or by such other method as shall be approved by the Panel) to the address appearing in the Register at the Scheme Record Time or, in the case of joint holders, to the holder whose name stands first in that register in respect of the joint holding concerned. Definitive certificates will be despatched as soon as practicable and not later than 14 days after the Effective Date. Neither Aviva nor Direct Line shall be responsible for any loss or delay in the transmission of certificates sent in this way and such certificates shall be sent at the risk of the person entitled thereto.

Temporary documents of title will not be issued pending the despatch by post of definitive certificates for such New Aviva Shares. Pending the issue of definitive certificates for such New Aviva Shares, former Direct Line Shareholders wishing to register transfers of such New Aviva Shares may certify their share transfer forms against the register of members of Aviva by contacting Aviva's registrars on +44 (0)371 495 0105. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please note that calls may be monitored or recorded and Aviva's registrars cannot give any financial, legal or tax advice. On the registration of any such transfers, the transferee will receive an Aviva share certificate.

Direct Line Share Plans

In the case of Scheme Shares issued or transferred pursuant to the Direct Line Share Plans on or after the Court Sanction Date and prior to the Scheme Record Time, the New Aviva Shares to which the relevant Scheme Shareholders are entitled shall be issued in accordance with such method as may be agreed with Direct Line (whether in certificated or uncertificated form) as soon as practicable.

Fractional entitlements

Fractions of New Aviva Shares will not be allotted or issued to Direct Line Shareholders. Fractional entitlements will be rounded down to the nearest whole number of New Aviva Shares and all fractions of New Aviva Shares will be aggregated and sold in the market as soon as practicable after the Acquisition becomes effective. The net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) will be distributed in due proportions to Scheme Shareholders who would otherwise have been entitled to such fractions, save that if the entitlement of any Scheme Shareholder in respect of the proceeds of sale of fractional entitlements amounts to less than £5, such proceeds will be retained for the benefit of the Combined Group.

16.2 Settlement—cash consideration

Scheme Shares held in uncertificated form in CREST

Settlement of the cash element of the Offer Consideration to Direct Line Shareholders who hold Scheme Shares in uncertificated form at the Scheme Record Time will be effected through CREST by the creation of an assured payment obligation in favour of the relevant CREST account through which the relevant Scheme Shareholder holds such uncertificated shares, as soon as practicable and, in any event, no later than 14 days after the Effective Date.

Subject to the terms of the Scheme, Aviva reserves the right to settle all or part of such cash consideration via an alternative method if, for reasons outside its reasonable control, it is not able to effect settlement within the CREST system.

Following cancellation of the entitlements to Direct Line Shares in uncertificated form, Direct Line shall procure that such entitlements to Direct Line Shares are rematerialised.

Scheme Shares held in certificated form

Settlement of the cash element of the Offer Consideration to Direct Line Shareholders who hold Scheme Shares in certificated form at the Scheme Record Time will be effected:

- (A) if the relevant Scheme Shareholder has set up an electronic payment mandate, by way of an electronic payment to such account as indicated in such electronic payment mandate;
- (B) if the relevant Scheme Shareholder has not set up an electronic payment mandate, by cheque drawn on the branch of a UK clearing bank and despatched by first class post (or international standard post, if overseas); or
- (C) by such other method as may be approved by the Panel.

All such payments will be made in Pounds Sterling. Cheques will be made payable to the Scheme Shareholder(s) concerned or in the case of joint holders, to the joint holder whose name stands first in the Register as at the Scheme Record Time. Cheques will be despatched or electronic payments (if applicable) will be made as soon as practicable and, in any event, no later than 14 days after the Effective Date.

16.3 General

As from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST will be disabled and all Scheme Shares will be removed from CREST in due course.

On the Effective Date, each certificate representing Scheme Shares will cease to be a valid document of title and should be destroyed or, at the request of Direct Line, delivered up to Direct Line, or to any person appointed by Direct Line to receive the same.

None of Direct Line, Aviva, nor any of their nominees or respective agents will be responsible for any loss or delay in the transmission of Offer Consideration sent in any manner described above, and all documents, share certificates and remittances sent through the post or electronically will be sent at the risk of the person(s) entitled thereto.

Save with the consent of the Panel, settlement of consideration to which any Scheme Shareholder is entitled under the Scheme will be implemented in full in accordance with the terms set out in this Part II (*Explanatory Statement*) without regard to any lien, right of set-off, counterclaim or analogous right to which Aviva may otherwise be, or claim to be, entitled against any Scheme Shareholder.

All mandates relating to the payment of dividends and other instructions (or deemed instructions), including communication preferences, given to Direct Line by Scheme Shareholders in force at the Scheme Record Time relating to holdings of Scheme Shares shall, unless and until amended or revoked, be deemed, as from the Effective Date, to be an effective mandate or instruction in respect of the corresponding New Aviva Shares to which that Scheme Shareholder is entitled, except to the extent that a Scheme Shareholder already holds Aviva Shares at the Scheme Record Time (and Aviva's registrars, Computershare, are able to match such holdings), in which case any mandates and instructions in relation to those existing Aviva Shares will also apply to the New Aviva Shares issued to the Scheme Shareholder and will override any mandate held in respect of the Scheme Shares, which will therefore be disregarded.

For security reasons, any Scheme Shareholders who are recorded in the books of Direct Line's Registrars, Computershare, as 'gone away' will not have a cheque issued to them unless and until they contact Direct Line's Registrars, Computershare, either in writing to Computershare, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom, or by calling the Shareholder Helpline on +44 (0)370 873 5880.

17. United Kingdom taxation

Your attention is drawn to Part VI (*United Kingdom Taxation*) of this Document, which contains a summary of limited aspects of the UK tax treatment of the Scheme. This summary relates only to the position of certain categories of Direct Line Shareholders (as explained further in Part VI (*United Kingdom Taxation*) of this Document), is intended only as a general guide, does not constitute tax advice and does not purport to be a complete analysis of all potential UK tax consequences of the Scheme.

You are strongly advised to contact an appropriate independent professional adviser immediately to discuss the tax consequences of the Scheme on your individual circumstances, in particular if you are in any doubt about your own taxation position or you are subject to taxation in a jurisdiction other than the United Kingdom.

18. Overseas Shareholders

General

The availability of the Scheme and the Acquisition to Overseas Shareholders may be affected by the laws of the relevant jurisdictions in which they are located. Overseas Shareholders should inform themselves about and should observe any applicable legal or regulatory requirements in such jurisdictions. It is the responsibility of all Overseas Shareholders to satisfy themselves as to the full compliance of the laws of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, or the compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes due in such jurisdiction.

The release, publication or distribution of this Document in, into or from jurisdictions other than the United Kingdom, and the availability of the Acquisition to Direct Line Shareholders who are not resident in the United Kingdom, may be restricted by the laws of those jurisdictions and therefore persons into whose possession this Document comes should inform themselves about and observe such restrictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their Direct Line Shares with respect to the Scheme at the Court Meeting and/or General Meeting, or to execute and deliver forms of proxy appointing another to vote at the Court Meeting and/or General Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with any such restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person.

Unless otherwise determined by Aviva or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction. Accordingly, copies of this Document and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction, and persons receiving this Document and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such Restricted Jurisdiction. If the Acquisition is implemented by way of Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into, or by use of mails or any other means or instrumentality (including, without limitation, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from within any Restricted Jurisdiction.

This Document has been prepared in connection with proposals in relation to a scheme of arrangement pursuant to and for the purpose of complying with English law and the Takeover Code and information disclosed may not be the same as that which would have been disclosed if this Document had been prepared in accordance with the laws of jurisdictions outside the United Kingdom. Nothing in this Document should be relied on for any other purpose.

Overseas Shareholders should consult their own professional advisers with respect to the legal and tax consequences of the Scheme.

The availability of New Aviva Shares under the Acquisition to Scheme Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. Aviva may determine in its sole discretion that no New Aviva Shares shall be allotted and issued to any such Scheme Shareholder (each such Scheme Shareholder being treated as a Restricted Shareholder for the purposes of the Scheme). In such a case:

- (A) the New Aviva Shares shall be issued to a nominee appointed by Aviva on behalf of such Scheme Shareholder on terms that the nominee shall, as soon as practicable following the Effective Date, sell the New Aviva Shares so issued with the net proceeds of such sale being remitted to such Scheme Shareholder; or
- (B) the New Aviva Shares shall be issued to and sold on behalf of such Scheme Shareholder with the net proceeds of such sale being remitted to such Scheme Shareholder.

Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal and regulatory requirements.

US securities law

The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules.

If, in the future, Aviva exercises its right to implement the Acquisition by way of a Takeover Offer, which is to be made into the US, such Takeover Offer will be made in compliance with the applicable US laws and regulations, including Section 14(e) and Regulation 14E under the US Exchange Act. Such a Takeover Offer would be made in the US by Aviva and no one else.

In the event that the Acquisition is implemented by way of Takeover Offer, in accordance with, and to the extent permitted by, the Takeover Code and normal UK market practice, Goldman Sachs International and Citi, and their respective affiliates, may continue to act as exempt principal traders or exempt market makers in Direct Line Shares on the London Stock Exchange and will engage in certain other purchasing activities consistent with their respective normal and usual practice and applicable law, as permitted by Rule 14e-5(b)(9) under the US Exchange Act. In addition, Aviva, its affiliates, their advisers and the nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Direct Line outside the Acquisition, such as in open market purchases or privately negotiated

purchases, during the period in which the Acquisition remains open for acceptance. If such purchases or arrangements to purchase were to be made, they would be made outside the US and would comply with applicable law, including United Kingdom laws and the US Exchange Act. Any such purchases by Aviva or its affiliates will not be made at prices higher than the price of the Acquisition provided in this Document unless the price of the Acquisition is increased accordingly. Any information about such purchases or arrangements to purchase shall be disclosed as required under United Kingdom laws and will be available to all investors (including US investors) via the Regulatory Information Service and shall be available on the London Stock Exchange website at www.londonstockexchange.com. To the extent that such information is required to be publicly disclosed in the United Kingdom in accordance with applicable regulatory requirements, this information will, as applicable, also be publicly disclosed in the United States.

It may be difficult for US holders of Direct Line Shares to enforce their rights and any claim arising out of the US federal securities laws in connection with the Acquisition, since Aviva and Direct Line are located and organised in a non-US jurisdiction, and some or all of their officers and directors may be residents of a non-US jurisdiction. US holders of Direct Line Shares may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

The New Aviva Shares to be issued pursuant to the Acquisition have not been registered under the US Securities Act or under any laws or with any securities regulatory authority of any state, district or other jurisdiction, of the US, and may only be offered or sold in the US in reliance on an exemption from registration requirements of the US Securities Act including in the case of the proposed scheme of arrangement, Section 3(a)(10) thereunder. This Document shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the New Aviva Shares in any state of the United States in which such offer, solicitation or sale would be unlawful prior to qualification under the securities laws of any such state. Aviva will rely upon the Court's sanctioning of the Scheme for the purposes of qualifying for the exemption from the registration requirements of the US Securities Act provided by section 3(a)(10) thereof with respect to the New Aviva Shares to be issued pursuant to the Scheme.

For the purposes of qualifying for the exemption from the registration requirements of the US Securities Act afforded by Section 3(a)(10), Direct Line will advise the Court through counsel that Aviva will rely on the Section 3(a)(10) exemption based on the Court's sanctioning of the Scheme, which will be relied upon by Aviva as an approval of the Scheme following a hearing on the fairness of the terms and conditions of the Scheme to Scheme Shareholders, at which hearing all shareholders are entitled to attend in person or through counsel to support or oppose the sanctioning of the Scheme and with respect to which notification has been given to all shareholders.

Under US securities laws, persons who are or will be deemed to be "affiliates" (as defined under the US Securities Act) of Direct Line or Aviva prior to, or of Aviva after, the Effective Date may be subject to timing, manner of sale and volume restrictions on the resale in the United States of New Aviva Shares received in connection with the Scheme. Whether a person is an "affiliate" of a company for such purposes depends upon the circumstances, but affiliates of a company include individuals who, or entities that, control directly or indirectly, or are controlled by or are under common control with, that company, and may include certain officers and directors and significant shareholders of Direct Line and Aviva (typically holders of more than 10 percent of the outstanding issued capital). Scheme Shareholders who believe they may be affiliates for the purposes of the US Securities Act should consult their own legal advisers prior to any resale of New Aviva Shares received under the Scheme.

The New Aviva Shares have not been, and will not be, listed on a US securities exchange or quoted on any inter-dealer quotation system in the United States.

The financial information included in this Document, has been prepared in accordance with accounting standards applicable in the United Kingdom and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP. US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom. None of the financial information in this Document has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).

Neither the Acquisition nor this Document nor the New Aviva Shares to be issued pursuant to the Acquisition have been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have such authorities approved or disapproved or passed judgement upon the fairness or the merits of the Acquisition, or determined if the information contained in this Document is adequate, accurate or complete. Any representation to the contrary is a criminal offence in the United States.

The receipt of New Aviva Shares and/or cash pursuant to the Acquisition by a US holder as consideration for the transfer of its Direct Line Shares pursuant to the Acquisition may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each US holder of Direct Line Shares is urged to consult their independent legal, tax and financial advisers regarding the tax consequences of the Acquisition applicable to them, including under applicable US state and local, as well as overseas and other, tax laws.

19. Further information

The terms of the Scheme are set out in full in Part IV (*The Scheme of Arrangement*) of this Document. Further information regarding Direct Line and Aviva is set out in Part VII (*Additional Information on Direct Line and Aviva*) of this Document. Documents published and available for inspection are listed in paragraph 17 of Part VII (*Additional Information on Direct Line and Aviva*) of this Document.

20. Action to be taken

Sending Forms of Proxy by post

Direct Line Shareholders will receive a BLUE Form of Proxy for the Court Meeting and a WHITE Form of Proxy for the General Meeting and a pre-paid envelope for use in the UK only for the return of the BLUE Form of Proxy and the WHITE Form of Proxy.

Whether or not you intend to attend these Meetings, please complete and sign the Forms of Proxy in accordance with the instructions printed on them and return them by post to Direct Line's Registrars, Computershare, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom, so as to be received as soon as possible and in any event not later than the relevant times set out below:

- BLUE Forms of Proxy for the Court Meeting 11.00 a.m. on 6 March 2025
- WHITE Forms of Proxy for the General Meeting 11.15 a.m. on 6 March 2025

or, if in either case the Meeting is adjourned, the relevant Form of Proxy should be received not later than 48 hours (excluding any part of such 48 hour period falling on a day that is not a working day) before the time fixed for the adjourned Meeting.

What if I miss the deadline mentioned above?

- (A) If the BLUE Form of Proxy for the Court Meeting is not lodged by the relevant time, it may be presented in person to the Computershare representative who will be present at the Court Meeting or the Chair of the Court Meeting at the Court Meeting at any time before the commencement of the Court Meeting (or any adjournment thereof).
- (B) However, if the WHITE Form of Proxy for the General Meeting is not lodged by the relevant time, it will be invalid.

Online appointment of proxies

As an alternative to completing and returning the printed Forms of Proxy, proxies may be appointed electronically by logging on to the following website: www.investorcentre.co.uk/eproxy and following the instructions therein. For an electronic proxy appointment to be valid, the appointment must be received by Computershare not later than 11.00 a.m. on 6 March 2025 in the case of the Court Meeting and 11.15 a.m. on 6 March 2025 in the case of the General Meeting (or, in the case of an adjourned meeting, not less than 48 hours prior to the time and date set for such adjourned meeting (excluding any part of such 48 hour period falling on a day that is not a working day)).

In the case of the Court Meeting only, if the electronic proxy appointment is not received by the time set out above, the BLUE Form of Proxy may be presented in person to Direct Line's Registrars, Computershare, or to the Chair of the Court Meeting at the Court Meeting at any time before the commencement of the Court Meeting (or any adjournment thereof). In the case of the WHITE Form of Proxy for the General Meeting, if the electronic proxy appointment is not received by the relevant time, it will be invalid.

Electronic appointment of proxies through CREST

If you hold Direct Line Shares in uncertificated form through CREST and wish to appoint a proxy or proxies for the Court Meeting or the General Meeting (or any adjourned Meeting) using the CREST electronic proxy appointment service, you may do so by using the procedures described in the CREST Manual. Please also refer to the accompanying notes to the notices of the Meetings set out in Part IX (*Notice of Court Meeting*) and Part X (*Notice of General Meeting*) of this Document. CREST personal members or other CREST sponsored members, and those CREST members who have appointed any voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the CREST Proxy Instruction must be properly authenticated in accordance with the specifications of Euroclear and must contain the information required for such instructions as described in the CREST Manual. The message (regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy) must, in order to be valid, be transmitted so as to be received by Computershare (ID-3RA50) not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare are able to retrieve the message by enquiry to CREST in the manner prescribed by CREST.

What if I miss the deadline mentioned above?

- (A) In the case of the Court Meeting only, if the CREST proxy or instruction is not received by this time, the BLUE Form of Proxy may be presented in person to the Computershare representative who will be present at the Court Meeting or the Chair of the Court Meeting, at any time prior to the commencement of the Court Meeting (or any adjournment thereof).
- (B) In the case of the General Meeting only, if the CREST proxy or instruction is not received by this time, it will be invalid.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed any voting service provider(s), to procure that his/her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. For further information on the logistics of submitting messages in CREST, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

Direct Line may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the CREST Regulations.

Electronic appointment of proxies through Proximity

If you are an institutional investor, you may be able to appoint a proxy electronically via the Proximity platform, a process which has been agreed by Direct Line and approved by Direct Line's Registrars, Computershare. For further information regarding Proximity, please go to www.proximity.io. Your proxy must be lodged not later than 48 hours (excluding any part of such 48 hour period falling on a non-working day) before the time fixed for the relevant Meeting or any adjournment thereof in order to be

considered valid. Before you can appoint a proxy via this process, you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

Attendance at the Meetings

It is important that, for the Court Meeting in particular, as many votes as possible are cast so that the Court may be satisfied that there is a fair representation of opinion of Scheme Shareholders. Whether or not you intend to attend and/or vote at the Meetings (in person or by proxy), you are therefore strongly encouraged to: (i) sign and return your Forms of Proxy by post; or (ii) transmit a proxy appointment and voting instruction online through the CREST electronic proxy appointment service, as soon as possible.

The completion and return of the Forms of Proxy by post (or transmission of a proxy appointment or voting instruction online or through CREST) will not prevent you from attending, asking questions and voting (and/or, in the case of the Court Meeting, raising any objections) at the Court Meeting or the General Meeting, if you are entitled to and wish to do so.

Shareholder Helpline

If you have any questions about this Document, the Court Meeting or the General Meeting, or are in any doubt as to how to complete the Forms of Proxy or to submit your proxies electronically, please contact the Direct Line's Registrars, Computershare, by calling the Shareholder Helpline on +44 (0)370 873 5880. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Computershare cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

Yours faithfully,

Ben Grindley
For and on behalf of
Morgan Stanley & Co.

Simon Robey
For and on behalf of
Robey Warshaw

Oliver Hearsey
For and on behalf of
RBC Capital Markets

PART III
CONDITIONS TO THE IMPLEMENTATION OF THE SCHEME AND TO THE ACQUISITION

Part A: Conditions to the Scheme and the Acquisition

Long Stop Date

1. The Acquisition is conditional upon the Scheme becoming unconditional and becoming Effective, subject to the Takeover Code, by not later than the Long Stop Date.

Scheme approval Conditions

2. The Scheme is subject to the following Conditions:
 - (a) (i) its approval by a majority in number of the Scheme Shareholders who are present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof), and who represent not less than 75 percent in value of the Scheme Shares voted by those Scheme Shareholders; and (ii) such Court Meeting and any such separate class meeting (or any adjournment thereof) being held on or before 4 April 2025, being the 22nd day after the expected date of the Court Meeting as set out in this Document (or such later date, if any, (a) as Aviva and Direct Line may agree or (b) (in a competitive situation) as may be specified by Aviva with the consent of the Panel, and in each case that (if so required) the Court may allow);
 - (b) (i) the Special Resolution being duly passed by the requisite majority or majorities of Direct Line Shareholders at the General Meeting (or any adjournment thereof); and (ii) such General Meeting being held on or before 4 April 2025, being the 22nd day after the expected date of such meeting as set out in this Document (or such later date, if any, (a) as Aviva and Direct Line may agree or (b) (in a competitive situation) as may be specified by Aviva with the consent of the Panel, and in each case that (if so required) the Court may allow); and
 - (c) the sanction of the Scheme by the Court (with or without modification, but subject to any such modification being on terms acceptable to Direct Line and Aviva) and the delivery of a copy of the Court Order to the Registrar of Companies; and (ii) the Court hearing to sanction the Scheme being held on or before the 22nd day after the expected date of such hearing (or such later date, if any, (a) as Aviva and Direct Line may agree or (b) (in a competitive situation) as may be specified by Aviva with the consent of the Panel, and in each case that (if so required) the Court may allow).

General Conditions

3. In addition, subject as stated in Part B of this Part III, and to the requirements of the Panel, Aviva and Direct Line have agreed that the Acquisition is conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

Regulatory

- (a) the appropriate regulator (as defined in section 178(2A) of FSMA) of each UK authorised person (as defined in section 191G of FSMA) within the Direct Line Group in which Aviva and any other person who, for the purposes of section 178 of FSMA, would be a controller (as such term is defined under section 422 of FSMA) (each a “**Controller**”), as a result of the implementation of the Acquisition, will acquire control or (if applicable) increase control over (within the meaning of Part XII FSMA):
 - (i) having given notice for the purpose of section 189(4)(a) of FSMA that it has determined to approve such acquisition of or increase in control unconditionally;
 - (ii) having given notice for the purpose of section 189(7) of FSMA that it has determined to approve such acquisition of or increase in control subject to conditions, with such conditions being satisfactory to Aviva or such other Controller (as applicable) (acting reasonably); or
 - (iii) being treated, by virtue of section 189(6) of FSMA, as having approved such acquisition of or increase in control;

where references to FSMA are read, where applicable, with the Financial Services and Markets Act 2000 (Controllers) (Exemptions) Order 2009 (as amended from time to time);

(b) the SRA having given notice:

- (i) for the purpose of paragraph 27(2) of Schedule 13 to the LSA that it has determined to approve the acquisition of a restricted interest (as defined in paragraph 2(1) of Schedule 13 to the LSA (a **"Restricted Interest"**)) by Aviva and any other person who, for the purposes of paragraph 3(1) of Schedule 13 to the LSA, would hold a material interest in DLG Legal Services Limited (a **"Material Interest Holder"**) unconditionally; or
- (ii) for the purpose of paragraph 28(7) of Schedule 13 to the LSA that it has determined to approve the acquisition of a Restricted Interest by a Material Interest Holder in DLG Legal Services Limited subject to conditions, with such conditions being satisfactory to Aviva or such other Material Interest Holder (as applicable) (acting reasonably);

Antitrust

(c) either:

- (i) the CMA confirming, on terms reasonably satisfactory to Aviva, that the Acquisition or any matter arising therefrom or related thereto or any part of it will not be subject to a Phase 2 reference under section 33 of the Enterprise Act 2002 or on any other statutory basis (a **"Phase 2 CMA Reference"**), or the applicable time period for the CMA to make a Phase 2 CMA Reference having expired without the CMA having made such a Phase 2 CMA Reference; or
- (ii) in the event that there is a Phase 2 CMA Reference and the Condition set out in paragraph 3(c)(i) above is waived or not invoked by Aviva: (i) confirmation from the CMA that the Acquisition and any matter arising therefrom and related thereto, and all parts of it, may proceed on terms reasonably satisfactory to Aviva; and (ii) to the extent relevant, all conditions or obligations to which such confirmation is subject and which are required to be satisfied and/or complied with prior to Completion of the Acquisition having been satisfied or complied with;

Admission of consideration shares

- (d) (i) the FCA having acknowledged to Aviva or its agent (and such acknowledgement not having been withdrawn) that the application for the admission of the New Aviva Shares to the Equity Shares (Commercial Companies) category of the Official List has been approved and (after satisfaction of any conditions to which such approval is expressed to be subject (**"listing conditions"**))), admission will become effective as soon as a dealing notice has been issued by the FCA and any listing conditions have been satisfied; and (ii) the London Stock Exchange having acknowledged to Aviva or its agent (and such acknowledgement not having been withdrawn) that the New Aviva Shares will be admitted to trading on the London Stock Exchange's Main Market for listed securities;

Other third party clearances

- (e) other than in respect of or in connection with the Conditions set out in paragraphs 3(a) to 3(d), no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would or might reasonably be expected to:
 - (i) require, prevent or materially delay the divestiture or alter the terms envisaged for such divestiture by any member of the Wider Aviva Group or by any member of the Wider Direct Line Group of all or any part of its businesses, assets or property (including, shares, or other securities (or equivalent)) or impose any limitation on the ability of all or

any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider Aviva Group or the Wider Direct Line Group, in either case taken as a whole;

- (ii) require any member of the Wider Aviva Group or the Wider Direct Line Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Direct Line Group or the Wider Aviva Group or any asset owned by any third party (other than in the implementation of the Acquisition);
- (iii) or, if applicable, pursuant to sections 974 to 991 of the Companies Act, which is material in the context of the Wider Aviva Group or the Wider Direct Line Group, in either case taken as a whole;
- (iv) impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Aviva Group directly or indirectly to acquire, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in, or to exercise voting or management control over, any member of the Wider Direct Line Group;
- (v) otherwise materially adversely affect any or all of the business, assets, profits, or prospects of the Wider Direct Line Group and the Wider Aviva Group taken as a whole;
- (vi) result in any member of the Wider Direct Line Group or any member of the Wider Aviva Group ceasing to be able to carry on business under any name under which it presently carries on business, to an extent which is material in the context of the Wider Aviva Group or the Wider Direct Line Group, in either case taken as a whole;
- (vii) make the Acquisition or its implementation void, unenforceable and/or illegal under the laws of any relevant jurisdiction, or otherwise, directly or indirectly prevent or prohibit, restrict, restrain, or materially delay or materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise materially challenge, impede or interfere with, or require material amendment of the Acquisition; or
- (viii) save as Disclosed, impose any material limitation on or result in any material delay in the ability of any member of the Wider Aviva Group or any member of the Wider Direct Line Group to conduct, integrate or co-ordinate all or any part of its business with all or any part of the business of any other member of the Wider Aviva Group and/or the Wider Direct Line Group in a manner which is materially adverse in the context of the Wider Aviva Group or Wider Direct Line Group, in either case taken as a whole,

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or otherwise intervene having expired, lapsed or been terminated;

- (f) other than in respect of or in connection with the Conditions set out in paragraphs 3(a) to 3(d), all filings, applications and/or notifications which are necessary in connection with the Acquisition having been made and all relevant waiting periods and other time periods (including any extensions thereof) under any applicable legislation or regulation of any jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory or regulatory obligations in any jurisdiction having been complied with in connection with the Acquisition or the carrying on by any member of the Wider Direct Line Group of a material part of its business;
- (g) other than in respect of or in connection with the Conditions set out in paragraphs 3(a) to 3(d) all necessary Authorisations for the proposed Acquisition to acquire any shares or other securities in, or control of, Direct Line by any member of the Wider Aviva Group having been obtained on terms and in a form reasonably satisfactory to Aviva from all necessary Third Parties, and all such Authorisations, together with all Authorisations which are necessary or appropriate to carry on the business of any member of the Wider Direct Line Group that is material in the context of the Wider Aviva Group, remaining in full force and effect and all filings necessary for

such purpose have been made and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same at the time at which the Acquisition becomes otherwise unconditional and all necessary statutory or regulatory obligations in any jurisdiction having been complied with;

Certain matters arising as a result of any arrangement, agreement, etc.

- (h) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, franchise, permit or other instrument to which any member of the Wider Direct Line Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or because of a change in the control or management of any member of the Wider Direct Line Group or otherwise, would reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Direct Line Group or the Wider Aviva Group, in either case, taken as a whole or in the context of the Acquisition:
- (i) any monies borrowed by, or any other indebtedness or liabilities, actual or contingent, of, or any grant available to, any member of the Wider Direct Line Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
- (ii) the rights, liabilities, obligations, interests or business of any member of the Wider Direct Line Group or any member of the Wider Aviva Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Direct Line Group or any member of the Wider Aviva Group in or with any other person or body or firm or company (or any agreement or arrangement relating to any such interests or business) being or becoming capable of being terminated, or adversely modified or affected or any onerous obligation or liability arising or any action being taken thereunder;
- (iii) any member of the Wider Direct Line Group ceasing to be able to carry on business under any name under which it presently carries on business, to an extent which is material in the context of the Wider Direct Line Group taken as a whole;
- (iv) any assets or interests of any member of the Wider Direct Line Group being or failing to be disposed of or charged or ceasing to be available to any such member or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Direct Line Group otherwise than in the ordinary course of business;
- (v) the creation, save in the ordinary and usual course of business, or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Direct Line Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
- (vi) the business, assets, profits, value of, or the financial or trading position or prospects of, any member of the Wider Direct Line Group being prejudiced or adversely affected;
- (vii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider Direct Line Group, other than trade creditors or other liabilities incurred in the ordinary course of business;
- (viii) any liability of any member of the Wider Direct Line Group to make any severance, termination, bonus or other payment to any of its directors or other officers other than in the ordinary course of business or as permitted or countenanced by the Co-operation Agreement; or
- (ix) any requirement of any member of the Wider Direct Line Group to acquire, subscribe, pay up or repay any shares or other securities (or the equivalent),

and, no event having occurred which, under any provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Direct Line Group is a party or by or to which any such member or any of its assets are bound, entitled or subject, would or would reasonably be expected to result in any of the events or circumstances as are referred to in Conditions 3(h)(i) to 3(h)(ix), in each case to an extent or in a manner which is material in the context of the Wider Direct Line Group taken as a whole;

Certain events occurring since 31 December 2023

- (i) except as Disclosed, no member of the Wider Direct Line Group having since 31 December 2023:
 - (i) save as between Direct Line and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue of Direct Line Shares on the exercise of options and the vesting of awards under the Direct Line Share Plans, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue, of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Direct Line Shares out of treasury;
 - (ii) other than the Direct Line Permitted Dividends (if any), recommended, declared, paid or made or proposed or agreed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than dividends (or other distributions whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of Direct Line to Direct Line or any of its wholly-owned subsidiaries;
 - (iii) other than pursuant to the Acquisition (and except for transactions between Direct Line and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Direct Line and transactions in the ordinary course of business) implemented, effected, authorised or proposed or announced its intention to implement, effect, authorise or propose any merger, demerger, reconstruction, amalgamation, scheme, commitment or offer or disposal of assets or shares or loan capital (or the equivalent thereof) in any undertaking or undertakings, in each case to an extent which is material in the context of the Wider Direct Line Group taken as a whole;
 - (iv) except for transactions between Direct Line and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Direct Line and except for transactions in the ordinary course of business disposed of, or transferred, mortgaged or created any security interest over any material asset or any right, title or interest in any asset or authorised, proposed or announced any intention to do so to an extent which, in each case, is material in the context of the Wider Direct Line Group taken as a whole;
 - (v) except for transactions between Direct Line and its wholly-owned subsidiaries or between the wholly-owned subsidiaries of Direct Line issued, authorised, made or proposed or announced an intention to issue, authorise or make any change in or to the terms of any debentures or loan capital or become subject to any contingent liability or incurred or increased any indebtedness to an extent which, in each case, is material in the context of the Wider Direct Line Group taken as a whole;
 - (vi) entered into any licence or other disposal of intellectual property rights of any member of the Wider Direct Line Group, which are material in the context of the Wider Direct Line Group taken as a whole and outside of the ordinary course of business;
 - (vii) entered into or varied or authorised, proposed or announced its intention to enter into or vary any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long term, unusual or onerous nature or magnitude or which is or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which in any such case, is material in the context of the Direct Line Group, or

which is or is reasonably expected to be materially restrictive on the business of any member of the Wider Direct Line Group to an extent which, in each case, is material in the context of the Wider Direct Line Group taken as a whole;

- (viii) entered into or varied or authorised, proposed or announced its intention to enter into or vary the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of any contract, service agreement, commitment or arrangement with any director or senior executive of any member of the Wider Direct Line Group, except for salary increases, bonuses or variations of terms in the ordinary course;
- (ix) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme or other benefit relating to the employment or termination of employment of any employee of the Wider Direct Line Group, which, taken as a whole, are material in the context of the Wider Direct Line Group taken as a whole;
- (x) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, except in respect of the matters mentioned in sub-paragraph 3(i)(i) above, made any other change to any part of its share capital, to an extent which is material in the context of the Wider Direct Line Group taken as a whole;
- (xi) waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Direct Line Group taken as a whole;
- (xii) terminated or varied the terms of any agreement or arrangement between any member of the Wider Direct Line Group and any other person in a manner which would, or would reasonably be expected to, have a material adverse effect on the financial position of the Wider Direct Line Group taken as a whole;
- (xiii) made any alteration to its memorandum or articles of association or other incorporation documents (in each case, other than in connection with the Acquisition);
- (xiv) in relation to any pension scheme or other retirement, leaving service or death benefit arrangement established for any directors, former directors, employees or former employees of any entity in the Wider Direct Line Group or their dependants and established by a member of the Wider Direct Line Group (a “**Relevant Pension Plan**”), except in relation to changes made or agreed as a result of, or arising from, changes to legislation, made or agreed or consented to any change to:
 - (A) the terms of the trust deeds and rules constituting any Relevant Pension Plan;
 - (B) the contributions payable to any Relevant Pension Plan or to the benefits which accrue, or to the pensions which are payable, thereunder;
 - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (D) the basis upon which the liabilities (including pensions) of any Relevant Pension Plan are funded, valued, made, agreed or consented to,where to do so has, or is reasonably likely to, have a material impact on the Wider Direct Line Group;
- (xv) established or proposed the establishment of any Relevant Pension Plan to the extent which is material in the context of the Wider Direct Line Group taken as a whole, and other than as required in accordance with applicable law;
- (xvi) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Direct Line Group taken as a whole;

- (xvii) (other than in respect of a member of the Wider Direct Line Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xviii) entered into or implemented any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities which is material in the context of the Wider Direct Line Group taken as a whole;
- (xix) taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Direct Line Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code; or
- (xx) entered into any agreement, arrangement, commitment or contract or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition 3(i);

No adverse change, litigation, regulatory enquiry or similar

- (j) except as Disclosed, since 31 December 2023 there having been:
 - (i) no adverse change and no circumstance having arisen which would be or would reasonably be expected to result in any material adverse change in, the business, assets, value, financial or trading position or profits or prospects or operational performance of any member of the Wider Direct Line Group which is material in the context of the Wider Direct Line Group taken as a whole or is material in the context of the Acquisition;
 - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings to which any member of the Wider Direct Line Group is or may become a party (whether as claimant, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Direct Line Group, in each case which is or would be expected to be material in the context of the Wider Direct Line Group taken as a whole or is material in the context of the Acquisition;
 - (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Direct Line Group having been threatened, announced or instituted or remaining outstanding by, against or in respect of any member of the Wider Direct Line Group, in each case which would reasonably be expected to have a material adverse effect on the Wider Direct Line Group taken as a whole or is material in the context of the Acquisition;
 - (iv) no contingent or other liability having arisen or become apparent to Aviva or increased other than in the ordinary course of business which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Direct Line Group to an extent which is material in the context of the Wider Direct Line Group taken as a whole;
 - (v) no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the Wider Direct Line Group which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which would reasonably be expected to have a material adverse effect on the Wider Direct Line Group taken as a whole or is material in the context of the Acquisition; and
 - (vi) no member of the Wider Direct Line Group having conducted its business in breach of any applicable laws and regulations in manner which is material in the context of the Wider Direct Line Group taken as a whole;

No discovery of certain matters regarding information, liabilities and environmental issues

- (k) except as Disclosed, Aviva not having discovered that:
- (i) any financial, business or other information concerning the Wider Direct Line Group publicly announced before the date of the 2.7 Announcement or disclosed at any time to any member of the Wider Aviva Group by or on behalf of any member of the Wider Direct Line Group before the date of this Document which is misleading, contains a misrepresentation of any fact, or omits to state a fact necessary to make that information not misleading, and which is, in any case, material in the context of the Wider Direct Line Group taken as a whole or is material in the context of the Acquisition;
 - (ii) any member of the Wider Direct Line Group or any partnership, company or other entity in which any member of the Wider Direct Line Group has a significant economic interest and which is not a subsidiary undertaking of Direct Line is subject to any liability, contingent or otherwise, which is material in the context of the Wider Direct Line Group taken as a whole; or
 - (iii) any past or present member of the Wider Direct Line Group has not complied with any applicable legislation, regulations or other requirements of any jurisdiction or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Direct Line Group, in each case to an extent which is material in the context of the Wider Direct Line Group taken as a whole;

Intellectual property

- (l) except as Disclosed and since 31 December 2023, no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider Direct Line Group which would have a material adverse effect on the Wider Direct Line Group taken as a whole, including:
- (i) any member of the Wider Direct Line Group losing its title to any intellectual property used in its business, or any intellectual property owned by any member of the Wider Direct Line Group and material to its business being revoked, cancelled or declared invalid; or
 - (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider Direct Line Group to, or the validity or effectiveness of, any of its intellectual property; or
 - (iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider Direct Line Group being terminated or varied; and

Anti-corruption, sanctions and criminal property

- (m) except as Disclosed, Aviva not having discovered:
- (i) (i) any past or present member, director, officer or employee of the Wider Direct Line Group, in connection with their position at the Wider Direct Line Group, is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended, or any other anti-corruption legislation applicable to the Wider Direct Line Group or (ii) any past or present member of the Wider Direct Line Group or any person that performs or has performed services for or on behalf of the Wider Direct Line Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended, or any other applicable anti-corruption legislation;

- (ii) any asset of any member of the Wider Direct Line Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition);
- (iii) any past or present member, director, officer or employee of the Wider Direct Line Group or any other person for whom any such person may be liable or responsible, has engaged in any business with, made any investments in, made any funds or assets available to or received any funds or assets from: (i) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by applicable US, UK or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Revenue & Customs; or (ii) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom, the European Union or any of its member states or any other governmental or supranational body or authority in any jurisdiction, except as may have been licensed by the relevant authority; or
- (iv) a member of the Wider Direct Line Group has engaged in any transaction or conduct which would cause any member of the Wider Direct Line Group or the Wider Aviva Group to be in breach of any applicable law or regulation upon the completion of the Acquisition, including any economic sanctions of the United States Office of Foreign Assets Control or HM Revenue & Customs, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the United Kingdom or the European Union or any of its member states.

Part B: Further terms of the Acquisition

1. The Conditions set out in paragraphs 2(a), 2(b) and paragraphs 3(a) to 3(d) (inclusive) of Part A above must each be fulfilled, or (if capable of waiver) be waived by Aviva prior to the commencement of the Court Sanction Hearing, failing which the Scheme will lapse.
2. Notwithstanding the paragraph above, subject to the requirements of the Panel and the Takeover Code, Aviva reserves the right in its sole discretion to waive:
 - (a) the deadlines set out in paragraph 1 of Part A above, and any of the deadlines set out in paragraphs 2(a)(ii), 2(b)(ii) and 2(c)(ii) of Part A above for the timing of the Court Meeting, the General Meeting and/or the Court Sanction Hearing. If any such deadline is not met, Aviva will make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked or waived the relevant Condition or agreed with Direct Line to extend the deadline in relation to the relevant Condition. For the avoidance of doubt, the Conditions set out in paragraphs 2(a)(i), 2(b)(i) and 2(c)(i) of Part A above cannot be waived; and
 - (b) in whole or in part, all or any of the above Conditions set out in paragraphs 3(a) to 3(m) (inclusive) of Part A above.
3. Aviva shall be under no obligation to waive or treat as satisfied any of the Conditions that it is entitled (with the consent of the Panel and subject to the requirements of the Takeover Code) to waive, by a date earlier than the latest date specified above for the fulfilment or waiver thereof, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
4. If Aviva is required by the Panel to make an offer for Direct Line Shares under the provisions of Rule 9 of the Takeover Code, Aviva may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of Rule 9.
5. Under Rule 13.5(a) of the Takeover Code and subject to paragraph 6, Aviva may only invoke a Condition that is subject to Rule 13.5(a) of the Takeover Code so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel and any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Aviva. The Panel will normally only give its

consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Aviva in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.

6. Conditions 1, 2(a), 2(b), 2(c) and 3(d) of Part A above and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to Rule 13.5(a) of the Takeover Code.
7. The Direct Line Shares to be acquired under the Acquisition will be acquired with full title guarantee, fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions and any return of capital (whether by reduction of share capital or share premium account or otherwise) declared, made, paid or becoming payable by reference to a record date falling on or after the Effective Date and any dividend, distribution or return of capital in respect of which a corresponding reduction in the consideration payable under the terms of the Acquisition has been made as described in paragraph 8 below.
8. Subject to the terms of the Acquisition, if, on or after the date of the 2.7 Announcement and on or prior to the Effective Date, any dividend and/or other distribution and/or return of capital is or has been authorised, declared, made or paid or becomes payable in respect of Direct Line Shares other than the Direct Line Permitted Dividends, Aviva reserves the right to reduce the cash portion of the Offer Consideration payable under the terms of the Acquisition by an amount equal to all or part of any such dividend and/or other distribution and/or return of capital, in which case: (a) any reference in this Document to the Offer Consideration for the Direct Line Shares will be deemed to be a reference to the Offer Consideration as so reduced; and (b) the relevant Direct Line Shareholders will be entitled to receive and retain any such dividend and/or other distribution and/or return of capital authorised, declared, made or paid. To the extent that any such dividend, distribution or return of capital is authorised, declared, made or paid or becomes payable: (x) pursuant to the Acquisition on a basis which entitles Aviva to receive the dividend or distribution or return of capital and to retain it; or (y) is subsequently cancelled, the Offer Consideration will not be subject to change in accordance with this paragraph. Any exercise by Aviva of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Acquisition.
9. Aviva reserves the right to elect (with the consent of the Panel (where necessary) and subject to the terms of the Co-operation Agreement) to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the offer will be implemented on substantially the same terms subject to appropriate amendments, including (without limitation) an acceptance condition set at 75 percent (or such lesser percentage as Aviva may decide after, to the extent necessary, consultation with the Panel, being in any case more than 50 percent of the Direct Line Shares), so far as applicable, as those which would apply to the Scheme. Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient Direct Line Shares are otherwise acquired, it is the intention of Aviva to apply the provisions of the Companies Act to acquire compulsorily any outstanding Direct Line Shares to which such Takeover Offer relates.
10. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable legal and regulatory requirements.
11. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any Restricted Jurisdiction.
12. The Scheme will be governed by English law and is subject to the jurisdiction of the Court and to the Conditions and further terms set out in this Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) to this Document. The Acquisition will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.
13. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

**PART IV
THE SCHEME OF ARRANGEMENT**

**IN THE HIGH COURT OF JUSTICE
BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

CR-2025-000043

IN THE MATTER OF DIRECT LINE INSURANCE GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

SCHEME OF ARRANGEMENT
(under Part 26 of the Companies Act 2006)

between

DIRECT LINE INSURANCE GROUP PLC

and

ITS SCHEME SHAREHOLDERS
(as hereinafter defined)

PRELIMINARY

(A) In this Scheme, unless inconsistent with the subject or context, the following expressions bear the following meanings:

“2.7 Announcement”

the joint announcement dated 23 December 2024 made by Aviva and Direct Line pursuant to Rule 2.7 of the Takeover Code which confirmed that they had reached an agreement on the terms of a recommended cash and share offer for the Acquisition of Direct Line by Aviva pursuant to which Aviva will acquire the entire issued and to be issued ordinary share capital of Direct Line;

“Acquisition”

the recommended Acquisition by Aviva of the entire issued and to be issued ordinary share capital of Direct Line not already owned or controlled by the Aviva Group on the terms and subject to the Conditions set out in the Document, and, where the context requires, any subsequent revision, variation, extension or renewal thereof;

“Aviva”

Aviva plc, a public limited company incorporated under the laws of England and Wales with registered number 02468686;

“Aviva Dividend Policy”

the dividend policy announced by Aviva alongside its FY23 results on 7 March 2024;

“Aviva FY24 Final Dividend”

any final dividend declared by Aviva in respect of the financial year ending on 31 December 2024;

“Aviva FY25 Final Dividend”

any final dividend declared by Aviva in respect of the financial year ending on 31 December 2025, provided that the record date for such dividend is no earlier than 1 April 2026;

“Aviva FY25 Interim Dividend”

any interim dividend declared by Aviva in respect of the

	six-month period ending on 30 June 2025, provided that the record date for such dividend is no earlier than 20 August 2025;
“Aviva FY26 Interim Dividend”	any interim dividend declared by Aviva in respect of the six-month period ending on 30 June 2026, provided that the record date for such dividend is no earlier than 20 August 2026;
“Aviva Group”	Aviva and its subsidiary undertakings and where the context permits, each of them;
“Aviva Permitted Dividend”	any Aviva FY24 Final Dividend, Aviva FY25 Interim Dividend, Aviva FY25 Final Dividend and/or Aviva FY26 Interim Dividend, provided in each case that such dividend is declared in accordance with the Aviva Dividend Policy;
“Aviva Shares”	the existing ordinary shares of 32 ¹⁷ / ₁₉ pence each in the capital of Aviva;
“Awards”	awards and options over Direct Line Shares under the Direct Line Share Plans;
“Business Day”	any day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London;
“Buyout Awards”	any Awards granted or to be granted by Direct line to a Direct Line Employee in connection with their recruitment to compensate for forfeited awards granted to the Direct Line Employee by their former employer;
“certificated form” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“Combined Group”	the enlarged group following Completion comprising the Aviva Group and the Direct Line Group;
“Companies Act”	the Companies Act 2006 (as amended from time to time);
“Completion”	the Acquisition becoming Effective in accordance with its terms;
“Conditions”	the conditions to the implementation of the Scheme and to the implementation of the Acquisition which are set out in Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of the Document;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court under Part 26 of the Companies Act, notice of which is set out in Part IX (<i>Notice of Court Meeting</i>) of the Document, for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment thereof;
“Court Order”	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;
“Court Sanction Date”	the date on which the Scheme is sanctioned by the Court;
“Court Sanction Hearing”	the hearing of the Court of the application to sanction the Scheme under Part 26 of the Companies Act, including any adjournment thereof;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;

“CREST Manual”	the CREST Manual published by Euroclear, as amended from time to time in accordance with the CREST Regulations;
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2019), as amended from time to time (including by means of the Uncertificated Securities (amendment and EU Exit) Regulations 2019 (SI 2019/679));
“DAIP”	the Direct Line Deferred Annual Incentive Plan, as amended from time to time;
“Direct Line”	Direct Line Insurance Group plc, a public limited company incorporated in England and Wales with registered number 02280426;
“Direct Line Employees”	the employees of any member of Direct Line Group from time to time, including for the avoidance of doubt individuals who become employees of any member of the Direct Line Group after the date of the Document;
“Direct Line Dividend Policy”	the dividend policy announced by Direct Line at its Capital Markets Day on 10 July 2024;
“Direct Line Group”	Direct Line and its subsidiary undertakings and where the context permits, each of them;
“Direct Line Permitted Dividends”	has the meaning given to it in sub-clause 2(D) of this Scheme;
“Direct Line Share Plans”	the LTIP, the RSP, Buyout Awards, the DAIP, and the SIP (in each case as amended from time to time);
“Direct Line Shareholders”	the holders of Direct Line Shares;
“Direct Line Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of 10 ¹⁰ / 11 pence each in the capital of Direct Line and any further such ordinary shares which are unconditionally allotted or issued;
“Document”	the document dated 10 February 2025 addressed to Direct Line Shareholders containing the Scheme and an explanatory statement in compliance with section 897 of the Companies Act;
“Effective Date”	the date on which the Scheme becomes effective in accordance with its terms and “Effective” shall be construed accordingly;
“Equity Ratio”	0.2867, or such other number of Aviva Shares that comprise the equity component of the Offer Consideration (per Direct Line Share) at the Effective Date in accordance with the terms of the Acquisition;
“Euroclear”	Euroclear UK & International Limited;
“Excluded Shares”	(i) any Direct Line Shares of which Aviva or any member of the Aviva Group is the holder or in which Aviva or any member of the Aviva Group is beneficially interested at the Scheme Record Time (other than in connection with ordinary course asset management activities of the Aviva Group); or (ii) any Direct Line Shares which are for the time being held by Direct Line as treasury shares (within the meaning of the Companies Act);

“gone away”	registered with an address from which three or more communications have been returned undelivered;
“holder”	a registered holder and includes any person(s) entitled by transmission;
“Latest Practicable Date”	close of business on 5 February 2025, being the latest practicable date before publication of the Document;
“LTIP”	the Direct Line Long-Term Incentive Plan, as amended from time to time;
“New Aviva Share”	Aviva’s ordinary shares of 32 ¹⁷ / ₄₉ pence each proposed to be issued credited as fully paid pursuant to the Acquisition;
“Offer Consideration”	the consideration payable to Scheme Shareholders (as appearing on the Register at the Scheme Record Time) under the terms of the Scheme, comprising, for each Direct Line Share held: (i) 0.2867 New Aviva Shares; and (ii) 129.7 pence in cash (the “cash element” of the Offer Consideration);
“Panel”	the Panel on Takeovers and Mergers;
“Permitted Buyback”	the repurchase of Aviva Shares by Aviva pursuant to a Permitted Buyback Programme;
“Permitted Buyback Programme”	an ordinary course on-market share buyback programme;
“Phase 2 CMA Reference”	has the meaning given to it in paragraph 3(c)(i) of Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>);
“Register”	the register of members of Direct Line;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Registrars” or “Computershare”	Computershare Investor Services PLC;
“Restricted Shareholder”	has the meaning given to it in sub-clause 5(A) of this Scheme;
“RSP”	the Direct Line Restricted Shares Plan, as amended from time to time;
“Scheme” or “Scheme of Arrangement”	this scheme of arrangement in its present form, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Direct Line and Aviva;
“Scheme Record Time”	6.00 p.m. on the date of the Court Sanction Hearing;
“Scheme Shareholders”	a holder of Scheme Shares;
“Scheme Shares”	all Direct Line Shares: <ul style="list-style-type: none"> (i) in issue at the date of this Document and which remain in issue at the Scheme Record Time; (ii) (if any) issued after the date of this Document and before the Voting Record Time, which remain in issue at the Scheme Record Time; and (iii) (if any) issued at or after the Voting Record Time but on or before the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or shall have agreed in writing to be, so bound, and in each case which remain in issue at the Scheme Record Time, in each case other than any Excluded Shares;

“SIP”	the Direct Line Share Incentive Plan, as amended from time to time;
“Takeover Code”	the City Code on Takeovers and Mergers (as amended from time to time);
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“uncertificated form” or “in uncertificated form”	a share or other security recorded on the relevant register as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST; and
“Voting Record Time”	6.00 p.m. on the day which is two Business Days prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two Business Days before the date of such adjourned meeting.

- (B) In this Scheme: (i) all references to times of day are to London time; (ii) all references to “£”, “GBP”, “Pounds Sterling”, “pence” and “p” are to the lawful currency of the United Kingdom; and (iii) all references to clauses and sub-clauses are to clauses and sub-clauses of this Scheme.
- (C) As at the Latest Practicable Date, the issued share capital of Direct Line was £143,060,526.22 divided into 1,311,388,157 ordinary shares of 10 ¹⁰ / ₁₁ pence each, all of which are credited as fully paid up. As at the Latest Practicable Date no shares were held in treasury.
- (D) Aviva was incorporated on 9 February 1990 under the laws of England and Wales with registered number 02468686. As at the Latest Practicable Date, the issued share capital of Aviva was £880,805,752.96 divided into 2,677,649,489 ordinary shares of 32 ¹⁷ / ₁₉ pence each, all of which are credited as fully paid up. As at the Latest Practicable Date, no shares were held in treasury and Aviva does not hold any Direct Line Shares other than via its asset management activities in the ordinary course of business.
- (E) Aviva has agreed, subject to the satisfaction or (where applicable) waiver of the Conditions, to appear by counsel at the Court Sanction Hearing and to undertake to the Court to be bound by the provisions of this Scheme in so far as it relates to Aviva and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by it to give effect to this Scheme.
- (F) Aviva will rely upon the Court’s sanctioning of this Scheme for the purposes of qualifying for the exemption from the registration requirements of the US Securities Act of 1933, as amended, provided by section 3(a)(10) thereof with respect to the New Aviva Shares to be issued pursuant to the Scheme.

THE SCHEME

1. Transfer of Scheme Shares

- (A) Upon and with effect from the Effective Date, Aviva shall acquire all the Scheme Shares fully paid up, with full title guarantee, free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party rights or interests of any nature whatsoever, and together with all rights or interests of any nature at the Effective Date or thereafter attached thereto, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) and any return of capital (whether by reduction of share capital or share premium account or otherwise) announced, authorised, declared, made, becoming payable or paid respect of the Scheme Shares by reference to a record date falling on or after the Effective Date (other than any Direct Line Permitted Dividends).
- (B) For the purposes of such acquisition, the Scheme Shares shall be transferred to Aviva by means of a form of transfer (the **“Instrument(s) of Transfer”**) and to give effect to such transfer any person may be appointed by Aviva as attorney and/or agent and shall be authorised as such attorney and/or agent on behalf of the relevant holder of Scheme Shares to execute and deliver as transferor such Instrument(s) of Transfer (whether as a deed or otherwise) of, or give any instructions to transfer any Scheme Shares and every instrument or instruction of transfer so executed or instruction given shall

be effective as if it had been executed or given by the holder or holders of the Scheme Shares thereby transferred. Such Instrument(s) of Transfer shall be deemed to be the principal instrument(s) of transfer and the equitable or beneficial interest in the Scheme Shares shall only be transferred to Aviva, together with the legal interest in such Scheme Shares, pursuant to such Instrument(s) of Transfer.

- (C) With effect from the Effective Date and pending the transfer of the Scheme Shares pursuant to sub-clauses 1(A) and 1(B) of this Scheme and the updating of the Register to reflect such transfer, each Scheme Shareholder irrevocably:
- (i) appoints Aviva as its attorney and/or agent to exercise on its behalf (in place of and to the exclusion of the relevant Scheme Shareholder) any voting rights attached to its Scheme Shares and any or all rights and privileges (including the right to requisition the convening of a general meeting of Direct Line or of any class of its shareholders) attaching to its Scheme Shares;
 - (ii) appoints Aviva and any one or more of its directors or agents to sign on behalf of such Scheme Shareholder any such documents, and to do such things, as may in the opinion of Aviva and/or any one or more of its directors or agents be necessary or desirable in connection with the exercise of any votes or any other rights or privileges attaching to its Scheme Shares (including, without limitation, an authority to sign any consent to short notice of any general or separate class meeting of Direct Line as attorney or agent for, and on behalf of, such Scheme Shareholder and/or to attend and/or to execute a form of proxy in respect of its Scheme Shares appointing any person nominated by Direct Line and/or any one or more of its directors or agents to attend any general and separate class meetings of Direct Line (or any adjournment thereof) and to exercise or refrain from exercising the votes attaching to the Scheme Shares on such Scheme Shareholder's behalf); and
 - (iii) authorises Direct Line and/or its agents to send to Aviva any notice, circular, warrant or other document or communication which may be required to be sent to them as a member of Direct Line in respect of such Scheme Shares (including any share certificate(s) or other document(s) of title issued as a result of conversion of their Scheme Shares into certificated form),

such that from the Effective Date, and without prejudice to the rights of each Scheme Shareholder to receive the Offer Consideration, no Scheme Shareholder shall be entitled to exercise any voting rights attached to the Scheme Shares or any other rights or privileges attaching to the Scheme Shares otherwise than in accordance with the directions of Aviva.

The authorities granted pursuant to this sub-clause 1(C) shall be treated for all purposes as having been granted by way of deed.

2. Consideration for the transfer of Scheme Shares

- (A) In consideration for the transfer of the Scheme Shares to Aviva pursuant to clause 1 of this Scheme, and subject to the remaining provisions of this Scheme, Aviva shall:
- (i) subject as provided below, allot and issue to or for the account of each Scheme Shareholder (as appearing on the Register at the Scheme Record Time) 0.2867 New Aviva Shares for each Scheme Share held at the Scheme Record Time; and
 - (ii) pay or procure that there shall be paid to the account of each Scheme Shareholder (as appearing on the Register at the Scheme Record Time) 129.7 pence in cash for each Scheme Share held at the Scheme Record Time.
- (B) The New Aviva Shares to be issued pursuant to this clause 2 and the remaining provisions of this Scheme will be issued credited as fully paid and shall rank *pari passu* in all respects with the existing Aviva Shares, including the right to receive and retain in full all dividends and other distributions (if any) made, paid, or declared by reference to a record date falling on or after the Effective Date.
- (C) Immediately after the Scheme becomes Effective, Aviva shall make all such allotments of and shall issue such New Aviva Shares as are required to be issued to give effect to this Scheme to the persons respectively entitled thereto, such consideration to be settled as set out in clause 4 of this Scheme, but subject to clause 5 of this Scheme.

(D) Direct Line Shareholders shall be entitled to receive and retain, in each case without any consequential change to the Offer Consideration:

- (i) any dividend (or dividends) declared by Direct Line prior to the Effective Date which do not, in aggregate, exceed 5.0 pence per Direct Line Share;
- (ii) if the Effective Date occurs after the record date for any interim dividend declared by Aviva in respect of the six-month period ending on 30 June 2025, and in addition to any dividend(s) declared by Direct Line pursuant to sub-clause 2(D)(i) above, any dividend (or dividends) declared by Direct Line prior to the Effective Date which do not, in aggregate, exceed a further 2.0 pence per Direct Line Share;
- (iii) if the Effective Date occurs after the record date for any final dividend declared by Aviva in respect of the financial year ending on 31 December 2025, and in addition to any dividend(s) declared by Direct Line pursuant to sub-clauses 2(D)(i) and 2(D)(ii) above, any dividend (or dividends) declared by Direct Line prior to the Effective Date, provided that such dividend is declared in accordance with the Direct Line Dividend Policy, and, in any event, does not exceed 10.6 pence per Direct Line Share;
- (iv) if the Effective Date occurs after the record date for any interim dividend declared by Aviva in respect of the six-month period ending on 30 June 2026, and in addition to any dividend(s) declared by Direct Line pursuant to sub-clauses 2(D)(i), 2(D)(ii) and 2(D)(iii) above, any dividend (or dividends) declared by Direct Line prior to the Effective Date, provided that such dividend is declared in accordance with the Direct Line Dividend Policy, and, in any event, does not exceed 4.2 pence per Direct Line Share; and
- (v) in circumstances where, on or after the date of the 2.7 Announcement and prior to the Effective Date, Aviva announces, declares, makes or pays any dividend and/or other distribution and/or other return of capital in respect of Aviva Shares which is neither an Aviva Permitted Dividend nor a Permitted Buyback, any equalising dividend declared and paid by Direct Line to Direct Line Shareholders of an amount equal to the Equity Ratio multiplied by:
 - (a) in the case of: (a) an Aviva FY24 Final Dividend; (b) an Aviva FY25 Interim Dividend; (c) an Aviva FY25 Final Dividend; or (d) an Aviva FY26 Interim Dividend, the amount by which such dividend exceeds the relevant Aviva Permitted Dividend; or
 - (b) in the case of any other dividend, distribution or return of capital, an amount equal to the entire value of such dividend, distribution or return of capital (valued on a per-Aviva Share basis),

(each a “**Direct Line Permitted Dividend**”).

(E) If on or after the date of the 2.7 Announcement and on or prior to the Effective Date, Direct Line announces, declares, makes or pays any dividend and/or other distribution and/or other return of capital which is not a Direct Line Permitted Dividend, Aviva shall be entitled (at its sole discretion) to reduce the cash element of the Offer Consideration payable under sub-clause 2(A)(ii) by an amount equal to:

- (i) in the case of a dividend, the amount by which such dividend exceeds the aggregate amount of those Direct Line Permitted Dividend(s) which Direct Line is entitled to have declared at that time in accordance with sub-clause 2(D); or
- (ii) in the case of any other distribution or return of capital, an amount equal to the entire value of such distribution or return of capital (valued on a per-Direct Line Share basis),

where the exercise of such discretion shall not constitute a revision or modification of the terms of this Scheme and in each case, following such reduction: (a) any reference in the 2.7 Announcement or in the Document to the Offer Consideration shall be deemed to be a reference to the Offer Consideration as so reduced; and (b) the relevant Direct Line Shareholders shall be entitled to receive and retain any such dividend and/or other distribution and/or return of capital authorised, declared, made or paid. To the extent that any such dividend, distribution or return of capital is

authorised, declared, made or paid or becomes payable: (x) pursuant to the Acquisition on a basis which entitles Aviva to receive the dividend or distribution or return of capital and to retain it; or (y) is subsequently cancelled, the Offer Consideration will not be subject to change in accordance with this clause.

3. Share certificates and cancellation of CREST entitlements

With effect from, and including, the Effective Date:

- (A) Scheme Shareholders shall, in accordance with this Scheme, cease to have any rights with respect to the Scheme Shares, except the right to receive the Offer Consideration determined as set out in clauses 2, 4 and 5 of this Scheme;
- (B) share certificates in respect of Scheme Shares will cease to be valid and entitlements to Scheme Shares held within the CREST system will be cancelled. Scheme Shareholders shall be required to return share certificates to Direct Line (or to any person appointed by Direct Line to receive the same) or destroy them following the Effective Date;
- (C) Direct Line shall procure that Euroclear is instructed to cancel or transfer the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form;
- (D) following cancellation or transfer of the entitlements to Scheme Shares of holders of Scheme Shares in uncertificated form, Direct Line shall procure (if necessary) that entitlements to such Scheme Shares are rematerialised; and
- (E) subject to the completion of such form or forms of transfer or other instruments or instructions of transfer as may be required in accordance with clause 1 of this Scheme, Direct Line will make or procure to be made, the appropriate entries in the Register to reflect the transfer of the Scheme Shares to Aviva pursuant to clause 1 of this Scheme.

4. Settlement of consideration

- (A) Subject to clause 5 and the other remaining provisions of this Scheme, settlement of the New Aviva Shares to which a Scheme Shareholder is entitled shall be effected as follows:
 - (i) in respect of a Scheme Shareholder who holds Scheme Shares in certificated form at the Scheme Record Time, the New Aviva Shares to which the Scheme Shareholder is entitled shall be issued in certificated form and a share certificate (representing definitive title) for those New Aviva Shares shall be issued and despatched to such Scheme Shareholders as soon as practicable following the commencement of dealings in New Aviva Shares and no later than 14 days after the Effective Date;
 - (ii) in respect of a holding of Scheme Shares in uncertificated form at the Scheme Record Time, the New Aviva Shares to which the Scheme Shareholder is entitled shall be issued in uncertificated form through CREST. Aviva shall instruct, or procure the instruction of, Euroclear to credit the appropriate stock account in CREST of the Scheme Shareholder with such Scheme Shareholder's entitlement to New Aviva Shares as soon as practicable following the commencement of dealings in New Aviva Shares and no later than 14 days after the Effective Date, provided that Aviva reserves the right to settle all or any part of the said Offer Consideration referred to in this sub-clause 4(A)(ii) for all or any Scheme Shareholders via an alternative method if, for reasons outside its reasonable control, it is not able to effect settlement within the CREST system; and
 - (iii) in the case of Scheme Shares issued or transferred pursuant to the Direct Line Share Plans on or after the Court Sanction Date and prior to the Scheme Record Time, the New Aviva Shares to which the Scheme Shareholder is entitled shall be issued in accordance with such method as may be determined by Direct Line (whether in certificated or uncertificated form) as soon as reasonably practicable (subject, where required, to the deduction of any applicable exercise price, income tax and national insurance contributions or social security contributions or any other required withholding in any relevant jurisdiction).

- (B) Subject to clause 5 and the other remaining provisions of this Scheme, settlement of the cash element of the Offer Consideration to which a Scheme Shareholder is entitled shall be effected as follows:
- (i) in respect of a Scheme Shareholder who holds Scheme Shares in certificated form at the Scheme Record Time, Aviva shall, as soon as practicable after the Effective Date, and in any event within 14 days of the Effective Date:
 - (a) if such Scheme Shareholder has set up an electronic payment mandate, procure the payment of the sums payable to that Scheme Shareholder in accordance with clause 2 of this Scheme by way of an electronic payment to the account indicated in their electronic payment mandate;
 - (b) if the relevant Scheme Shareholder has not set up an electronic payment mandate, despatch or procure the despatch, to the relevant Scheme Shareholder (or to those persons as that Scheme Shareholder may direct) of cheque(s) for the sums payable to that Scheme Shareholder in accordance with clause 2 of this Scheme; or
 - (c) settle the cash consideration payable to that Scheme Shareholder in accordance with clause 2 of this Scheme by such other method as may be approved by the Panel;
 - (ii) in respect of a Scheme Shareholder who holds Scheme Shares in uncertificated form at the Scheme Record Time, Aviva shall, as soon as practicable after the Effective Date, and in any event within 14 days of the Effective Date, instruct, or procure the instruction of, Euroclear to create an assured payment obligation in favour of the Scheme Shareholder's payment bank in respect of the sums payable to the Scheme Shareholder in accordance with the CREST assured payment arrangements, provided that Aviva reserves the right to make payment of the said consideration via an alternative method if, for reasons outside its reasonable control, it is not able to effect settlement within the CREST system; and
 - (iii) in the case of Scheme Shares issued or transferred pursuant to the Direct Line Share Plans on or after the Court Sanction Date and prior to the Scheme Record Time, Aviva shall procure that the cash consideration payable under sub-clause 2(A)(ii) of this Scheme in respect of such Scheme Shares is settled by such method as shall be determined by Direct Line as soon as reasonably practicable (subject to the deduction of any applicable exercise price, income tax and national insurance contributions or social security contributions or any other required withholding in any relevant jurisdiction).
- (C) With effect from the Scheme Record Time, each holding of Scheme Shares credited to any stock account in CREST shall be disabled and all Scheme Shares will be removed from CREST in due course.
- (D) Prior to the issue of new share certificates in respect of New Aviva Shares to Scheme Shareholders pursuant to sub-clause 4(A)(i) and/or sub-clause 4(A)(iii), as relevant, the New Aviva Shares issued to them pursuant to this Scheme shall be certified against the register of members of Aviva.
- (E) All deliveries of notices, documents of title, cheques, certificates or statements of entitlement required to be made pursuant to this Scheme shall be effected by sending the same by first class post in pre-paid envelopes or by international standard post if overseas (or by such method as may be approved by the Panel) addressed to the persons entitled thereto at their respective registered addresses as appearing in the Register at the Scheme Record Time or, in the case of joint holders, at the address of the holder whose name stands first in such register in respect of the joint holding concerned at such time and none of Direct Line, Aviva or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices and/or cheques sent in accordance with this sub-clause 4(E), which shall be sent at the risk of the person or persons entitled thereto. For security reasons, any Scheme Shareholders who are recorded in the books of Direct Line's Registrars, Computershare, as 'gone away' will not have a cheque issued to them unless and until they contact Direct Line's Registrars, Computershare.
- (F) All payments shall be in Pounds Sterling and (subject to sub-clauses 4(A)(ii) and 4(A)(iii)) shall be made payable to the Scheme Shareholder concerned (or, in the case of Scheme Shareholders holding jointly, to that one of the joint holders whose name stands first in the Register in respect of

such joint holding of Scheme Shares at the Scheme Record Time). The encashment of any such cheque, the making of any electronic payment or the creation of any assured payment obligation through CREST or otherwise, each in connection with this Scheme, shall be a complete discharge of Aviva's obligations (and those of Aviva's respective agents or nominees) under this Scheme to pay the monies represented thereby.

- (G) In the case of Scheme Shareholders that have not encashed cheques within six months from the Effective Date (including, but not limited to, any Scheme Shareholders who are recorded in the books of Direct Line's Registrars, Computershare, as 'gone away' and have not had a cheque issued to them in accordance with sub-clause 4(E) above), the cash element of the Offer Consideration due to such Scheme Shareholders under this Scheme will be held by Direct Line's Registrars, Computershare, on trust for such Scheme Shareholders, for a period of 12 years from the Effective Date, in a separate UK bank account established solely for that purpose, and such Scheme Shareholders may claim the cash consideration due to them (net of any expenses and taxes) upon request to Computershare at The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom in a form which Direct Line reasonably determines evidences their entitlement to such consideration, at any time during the period of 12 years from the Effective Date.
- (H) None of Direct Line, Aviva or their respective agents or nominees shall be responsible for any loss or delay in the transmission of any notices, declarations of title, cheques, certificates or statements of entitlement sent in accordance with this Scheme, which shall be sent at the risk of the person or persons entitled thereto.
- (I) The preceding sub-clauses of this clause 4 shall take effect subject to any prohibition or condition imposed by law.

5. Restricted Shareholders

- (A) The provisions of clauses 2, 4 and 6 of this Scheme shall be subject to any prohibition or condition imposed by law. Without prejudice to the generality of the foregoing, if, in respect of any holder of Scheme Shares with a registered address in a jurisdiction outside the United Kingdom or whom Aviva reasonably believes to be a citizen, resident or national of, or located in, a jurisdiction outside the United Kingdom, Aviva is advised that the allotment, issue or delivery to such holder of New Aviva Shares under clause 4 would or may infringe the laws of such jurisdiction or would or may require Direct Line or Aviva (as the case may be) to comply with any governmental or other consent or any registration, filing or other formality with which Direct Line or Aviva (as the case may be) is unable to comply or compliance with which Direct Line or Aviva (as the case may be) reasonably regards as unduly onerous, then Aviva may, in its sole discretion:
 - (i) determine that the New Aviva Shares shall not be allotted and/or issued to such holder under clause 4 of this Scheme but shall instead be allotted and issued to a person appointed by Aviva to hold such shares on terms that such person shall, as soon as practicable following the Effective Date, sell the New Aviva Shares so allotted and issued at the best price which can reasonably be obtained at the time of sale and account for the net proceeds of such sale (after the deduction of all reasonable expenses and commissions incurred in connection with such sale) in accordance with the provisions of sub-clauses 5(B) or 5(C) of this Scheme (as applicable); or
 - (ii) determine that the New Aviva Shares shall be sold, in which event the New Aviva Shares shall be allotted and/or issued to such holder and Aviva shall appoint a person to act pursuant to this sub-clause 5(A)(ii) and such person shall be authorised on behalf of such holder to procure that any shares in respect of which Aviva has made such determination shall as soon as practicable following the Effective Date be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all reasonable expenses and commissions incurred in connection with such sale) shall be paid to such holder in accordance with the provisions of sub-clauses 5(B) or 5(C) of this Scheme (as applicable),

any such holder referred to in sub-clauses 5(A)(i) and 5(A)(ii) being a "**Restricted Shareholder**".

To give effect to any sale under this sub-clause 5(A), the person appointed will be authorised to execute and deliver a form of transfer or other instrument or instruction of transfer (whether as a deed or otherwise) and to give such instructions and to do all other things which such person may consider necessary or expedient in connection with such sale.

In the absence of bad faith, none of Direct Line, Aviva or the person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of such sale.

- (B) In the case of Scheme Shares to be sold in accordance with sub-clause 5(A) of this Scheme which are in uncertificated form at the Scheme Record Time, Aviva shall on behalf of the person appointed pursuant to sub-clause 5(A) of this Scheme make any cash payment pursuant to sub-clause 5(A) of this Scheme by instructing Euroclear, or procuring that Euroclear is instructed, to create an assured payment obligation in favour of the payment bank of the holders of such Scheme Shares in accordance with the CREST assured payment arrangements (as set out in the CREST Manual) as soon as practicable after such sale and in any event within 14 days of such sale, provided that Aviva reserves the right to make payment of the said consideration via an alternative method if, for reasons outside its reasonable control, it is not able to effect settlement within the CREST system;
- (C) In the case of Scheme Shares to be sold in accordance with sub-clause 5(A) of this Scheme which are in certificated form at the Scheme Record Time, Aviva shall on behalf of the person appointed pursuant to sub-clause 5(A) of this Scheme, as soon as practicable after such sale and in any event within 14 days of such sale:
 - (i) if the relevant Scheme Shareholder has set up an electronic payment mandate, make any cash payment pursuant to sub-clause 5(A) of this Scheme by way of an electronic payment to the account indicated in their electronic payment mandate; or
 - (ii) if the relevant Scheme Shareholder has not set up an electronic payment mandate, make any cash payment pursuant to sub-clause 5(A) of this Scheme by despatching, or procuring the despatch, to the Scheme Shareholder, of cheques in Pounds Sterling drawn on a UK clearing bank by post.

6. Fractional entitlements

- (A) Fractions of New Aviva Shares will not be allotted or issued to Direct Line Shareholders. Fractional entitlements will be rounded down to the nearest whole number of New Aviva Shares and all fractions of New Aviva Shares will be aggregated and sold in the market as soon as practicable after the Acquisition becomes Effective. The net proceeds of such sale (after deduction of all expenses and commissions incurred in connection with the sale) will be distributed in due proportions to Scheme Shareholders who would otherwise have been entitled to such fractions, save that if the entitlement of any Scheme Shareholder in respect of the proceeds of sale of fractional entitlements amounts to less than £5, such proceeds will be retained for the benefit of the Combined Group. For the purposes of determining fractional entitlements, each portion of a Scheme Shareholder's holding which is recorded in the Register by reference to a separate designation at the Scheme Record Time, whether in certificated or uncertificated form, will be treated as a separate holding.
- (B) The person appointed by Aviva in accordance with sub-clause 6(A) will be authorised to execute and deliver as transferor a form of transfer or other instrument or instruction of transfer and to give such instructions and to do all other things which such person may consider necessary or expedient in connection with such sale. In the absence of bad faith, none of Direct Line, Aviva or the person so appointed will have any liability for any loss or damage arising as a result of the timing or terms of any sale pursuant to sub-clause 6(A).
- (C) Payment of any amounts to which a Scheme Shareholder is entitled under sub-clause 6(A) will be made in accordance with sub-clause 4(A)(i) or sub-clause 4(A)(ii), as appropriate.

7. Mandates

All mandates relating to the payment of dividends and other instructions (or deemed instructions), including communication preferences, given to Direct Line by Scheme Shareholders and in force at the Scheme Record Time relating to holdings of Scheme Shares shall, unless and until amended or revoked, be deemed, as from the Effective Date, to be an effective mandate or instruction in respect

of the corresponding New Aviva Shares to which that Scheme Shareholder is entitled, except to the extent that a Scheme Shareholder already holds Aviva Shares at the Scheme Record Time (and Aviva's registrars, Computershare, are able to match such holdings), in which case any mandates and instructions in relation to those existing Aviva Shares shall also apply to the New Aviva Shares issued to the Scheme Shareholder and will override any mandate held in respect of the Scheme Shares, which will therefore be disregarded.

8. Operation of this Scheme

- (A) This Scheme shall become Effective upon a copy of the Court Order being delivered to the Registrar of Companies in England and Wales.
- (B) Unless this Scheme has become Effective on or before 11.59 p.m. on 31 December 2025, or, in the event that there is a Phase 2 CMA Reference and the Condition set out in paragraph 3(c)(i) of Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document is not waived or invoked by Aviva, 27 October 2026, or in either case, such later date, if any, as may be agreed in writing by Direct Line and Aviva (with the Panel's consent and as the Court may allow (if such approval(s) are required)), this Scheme shall never become Effective.

9. Modification

Direct Line and Aviva may jointly consent on behalf of all persons concerned to any modification of, or addition to, this Scheme or to any condition that the Court may approve or impose. Any such modification or addition shall require the consent of the Panel where such consent is required under the Takeover Code. For the avoidance of doubt, no modification may be made to this Scheme once it has become Effective.

10. Governing law

This Scheme is governed by English law and is subject to the exclusive jurisdiction of the Court. The rules of the Takeover Code will apply to this Scheme.

Dated 10 February 2025

PART V

FINANCIAL AND RATINGS INFORMATION

1. Financial information relating to Direct Line

The following sets out financial information in respect of Direct Line as required by Rule 24.3 of the Takeover Code. The specified sections of the documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this Document by reference in accordance with Rule 24.15 of the Takeover Code:

- the audited accounts of Direct Line for the year ended 31 December 2023 as set out on pages 161 to 277 (both inclusive) of the 2023 Direct Line Annual Report available at <https://www.directlinegroup.co.uk/en/investors/results-reports-and-events.html>;
- the audited accounts of Direct Line for the year ended 31 December 2022 as set out on pages 165 to 257 (both inclusive) of the 2022 Direct Line Annual Report available at <https://www.directlinegroup.co.uk/en/investors/results-reports-and-events.html>;
- the trading update for Direct Line for the first quarter of FY 2024 available at <https://www.directlinegroup.co.uk/en/investors/results-reports-and-events.html>;
- the unaudited consolidated accounts of Direct Line for the six months ended 30 June 2024 are set out on pages 5 to 20 of the 2024 Direct Line Half-Year Results available at <https://www.directlinegroup.co.uk/en/investors/results-reports-and-events.html>; and
- the trading update for Direct Line for the third quarter of FY 2024 available at <https://www.directlinegroup.co.uk/en/investors/results-reports-and-events.html>.

2. Direct Line ratings information

Direct Line's long-term credit ratings as at 30 October 2024 were A2 for the Insurance Financial Strength Rating of U K Insurance Limited, Baa2 for its subordinated debt rating and Ba1 for its restricted tier 1 securities—preferred stock non-cumulative rating. Following commencement of the Offer Period, on 10 December 2024, Moody's placed Direct Line's ratings on review for upgrade. Previously the outlooks were stable.

3. Financial Information relating to Aviva

The following sets out financial information in respect of Aviva as required by Rule 24.3 of the Takeover Code. The specified sections of the documents referred to below, the contents of which have previously been announced through a Regulatory Information Service, are incorporated into this Document by reference in accordance with Rule 24.15 of the Takeover Code:

- the audited accounts of Aviva for the year ended 31 December 2023 as set out on pages 172 to 371 (both inclusive) of the 2023 Aviva Annual Report available at <https://www.aviva.com/investors/annual-report/>;
- the audited accounts of Aviva for the year ended 31 December 2022 as set out on pages 160 to 343 (both inclusive) of the 2022 Aviva Annual Report available at <https://www.aviva.com/investors/results-presentations-reports-2022/>;
- the trading update for Aviva for the first quarter of FY 2024 available at <https://www.aviva.com/investors/results-presentations-reports/>;
- the unaudited consolidated accounts of Aviva for the six months ended 30 June 2024 are set out on pages 12 to 95 of the 2024 Aviva Half-Year Results available at <https://www.aviva.com/investors/results-presentations-reports/>; and
- the trading update for Aviva for the third quarter of FY 2024 available at <https://www.aviva.com/investors/results-presentations-reports/>.

4. Aviva ratings information

Aviva's long-term credit ratings as at 16 September 2024 were Aa3, AA- and AA- with respect to the Insurance Financial Strength Rating by Moody's, S&P and Fitch respectively, and A2, A and A+ with respect to the Insurance Credit Rating by Moody's, S&P and Fitch respectively. The outlook given by

all rating agencies is stable. Following the commencement of the Offer Period, on 10 December 2024, 6 December 2024 and 12 December 2024, respectively, Moody's, S&P and Fitch released press statements to affirm Aviva's aforementioned credit ratings and outlook.

5. No incorporation of website information

Save as expressly referred to herein, neither the content of Direct Line or Aviva's websites, nor the content of any website accessible from hyperlinks on Direct Line or Aviva's websites is incorporated into, or forms part of, this Document.

PART VI UNITED KINGDOM TAXATION

The comments set out below summarise certain limited aspects of the UK tax treatment of certain Direct Line Shareholders under the Scheme and do not purport to be a complete analysis of all tax considerations relating to the Scheme. They are based on current UK legislation and current published HMRC practice (which may not be binding on HMRC), in each case as at the Latest Practicable Date, both of which are subject to change, possibly with retrospective effect. They are not, and should not be taken as being, advice.

The comments are intended as a general guide and do not deal with certain types of Direct Line Shareholder, including, but not limited to, persons who are: (i) brokers, dealers, intermediaries, insurance companies, trustees of certain trusts; (ii) subject to specific tax regimes or benefit from specific reliefs or exemptions; (iii) are treated as holding their Scheme Shares as carried interest; (iv) Scheme Shareholders who hold Scheme Shares as part of hedging or commercial transactions; and (v) Scheme Shareholders who hold Scheme Shares in connection with a trade, profession or vocation carried out in the UK (whether through a branch or agency or otherwise) or who have or could be treated for tax purposes as having acquired their Direct Line Shares by reason of their employment. Nothing in these paragraphs should be taken as providing personal tax advice. In particular, the following paragraphs do not refer to UK inheritance tax.

References below to “**UK Holders**” are to Direct Line Shareholders who are resident (and, in the case of individuals, domiciled or deemed domiciled) for tax purposes in, and only in, the United Kingdom (and to whom split-year treatment does not apply), who hold their Direct Line Shares as an investment (other than under a self-invested pension plan or individual savings account) and who are the absolute beneficial owners of their Direct Line Shares.

IF YOU ARE IN ANY DOUBT ABOUT YOUR TAX POSITION OR YOU ARE SUBJECT TO TAXATION IN ANY JURISDICTION OTHER THAN THE UNITED KINGDOM, YOU SHOULD CONSULT AN APPROPRIATELY QUALIFIED INDEPENDENT PROFESSIONAL ADVISER IMMEDIATELY.

Under the terms of the Acquisition, which is subject to the satisfaction (or, where applicable, waiver) of the Conditions and further terms set out in Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document, UK Holders (other than Restricted Shareholders) are entitled to receive for each Scheme Share held:

- 0.2867 New Aviva Shares;
- 129.7 pence in cash; and
- up to 5 pence (in aggregate) in the form of dividend payments to be paid (subject to the approval of the Direct Line Board) prior to Completion.

1. UK taxation of income

Any dividend payment received by a UK Holder in respect of a Scheme Share under the terms of the Acquisition should be treated for UK tax purposes in the same way as an ordinary dividend received by that UK Holder on that Scheme Share would be.

2. UK taxation of chargeable gains

The tax treatment of each UK Holder under the Scheme for the purposes of the UK taxation of chargeable gains will depend on the individual circumstances of that UK Holder and on the form of consideration received.

A UK Holder's base cost in their Scheme Shares should be apportioned between the share and cash elements of the consideration received by that UK Holder by reference to the respective market values of the New Aviva Shares and cash received by them under the Scheme as at the time of the disposal.

To the extent that a UK Holder receives at least one New Aviva Share in exchange for Scheme Shares, the exchange should be treated as a reorganisation for the purposes of UK taxation of chargeable gains. This means that to the extent that a UK Holder receives at least one New Aviva Share in exchange for their Scheme Shares and that UK Holder does not hold (either alone or together with persons connected with them) more than 5 percent of Direct Line Shares, that UK Holder should not, subject to the following

paragraphs, be treated as having made a disposal of their Scheme Shares for the purposes of UK taxation of chargeable gains. Instead, the New Aviva Shares should be treated as the same asset as those Scheme Shares, and as acquired at the same time and for the same consideration as the relevant Scheme Shares. See above regarding the base cost allocation.

UK Holders who, alone or together with connected persons, hold more than 5 percent of Direct Line Shares may be eligible for the treatment described in the preceding paragraph only if the transaction is effected for bona fide commercial reasons and does not form part of a scheme or arrangements of which the main purpose, or one of the main purposes, is the avoidance of liability to UK taxation of chargeable gains, pursuant to section 137 of the TCGA. Such UK Holders are advised that clearance has been obtained from HMRC under section 138 of the TCGA that it is satisfied that section 137 of the TCGA will not apply to prevent the treatment described in the preceding paragraph.

To the extent that a UK Holder receives cash in exchange for Scheme Shares (including in respect of the sale of fractional entitlements to New Aviva Shares), that UK Holder may, except to the extent referred to in the next paragraph, be treated as making a part disposal of their Scheme Shares for the purposes of UK taxation of chargeable gains which may, depending on the UK Holder's individual circumstances (including the UK Holder's base cost in their Scheme Shares and the availability of exemptions, reliefs and/or allowable losses), give rise to a liability to UK taxation on chargeable gains or, alternatively, an allowable capital loss.

Cash received by a UK Holder under the Scheme may be "small" in comparison with the value of their Scheme Shares (under current HMRC practice). If this is the case and the base cost is equal to or greater than the cash received, the UK Holder should not be treated as having made a disposal or part disposal of the Scheme Shares in respect of which the cash was received, so that no immediate liability to UK taxation of chargeable gains would arise. Instead, an amount equal to the amount of such cash would be deducted from the base cost otherwise attributable to the New Aviva Shares for the purposes of UK taxation of chargeable gains. Where the cash received by the UK Holder exceeds the base cost, the above treatment would only be available upon election by that UK Holder and only to the extent it reduces the base cost to nil. Any balance of that cash consideration will be treated as consideration for a disposal for the purposes of UK taxation on chargeable gains.

Under current HMRC practice, any cash payment of £3,000 or less, or which is 5 percent or less of the market value of a UK Holder's holding of Scheme Shares immediately prior to the disposal should generally be treated as "small" for these purposes.

Any chargeable gain (or allowable loss) will be computed on the basis of an apportionment of the allowable cost of the holding between the share and cash elements of the consideration received by that UK Holder by reference to the respective market values of the New Aviva Shares and cash received by them under the Scheme as at the time of the disposal.

UK taxation of individual shareholders

Subject to available reliefs or allowances, gains arising on a disposal of Scheme Shares by an individual UK Holder will be taxed at the rate of 18 percent or 24 percent depending on the individual's personal circumstances including other taxable income and gains in the relevant tax year.

No indexation allowance will be available to individual UK Holders. The capital gains tax annual exemption (£3,000 for the 2024/25 tax year) may, however, be available to individual UK Holder's to offset against chargeable gains realised on the disposal of their Scheme Shares.

UK taxation of corporate shareholders

Subject to available exemptions, reliefs or allowances (including the substantial shareholding exemption, which is explained below), chargeable gains arising on a disposal of Scheme Shares by a UK Holder within the charge to UK corporation tax will be taxed at the rate of corporation tax applicable to that UK Holder.

The substantial shareholding exemption may apply to exempt from UK corporation tax any gain arising to UK Holders which are companies within the charge to UK corporation tax where a number of conditions are satisfied, including that the relevant UK Holder (together with certain associated companies) has held not less than 10 percent of the issued ordinary share capital of Direct Line for a continuous period of at least one year beginning not more than six years prior to the date of disposal.

If corporation tax on any chargeable gains is payable by a UK Holder which is a company, indexation allowance may be available where the Scheme Shares were acquired prior to 31 December 2017 (in respect of the period of ownership of the Scheme Shares up to and including 31 December 2017) to reduce any chargeable gain arising (but not to create or increase any allowable loss) on the disposal of such company's Scheme Shares.

3. UK stamp duty and SDRT

No UK stamp duty or SDRT will be payable by Direct Line Shareholders on the exchange of their Direct Line Shares for New Aviva Shares and cash under the Scheme.

PART VII
ADDITIONAL INFORMATION ON DIRECT LINE AND AVIVA

1. Responsibility

- 1.1 The Direct Line Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this Document (including expressions of opinion), other than information for which responsibility is taken by the Aviva Directors pursuant to paragraph 1.2 below. To the best of the knowledge and belief of the Direct Line Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.
- 1.2 The Aviva Directors, whose names are set out in paragraph 2.2 below, accept responsibility for the information contained in this Document (including any expressions of opinion) relating to Aviva, the Aviva Group, the Aviva Directors and their respective close relatives, related trusts of and persons connected with the Aviva Directors, and persons acting in concert with Aviva (as such term is defined in the Takeover Code), including the information relating to Aviva's intentions and strategic plans for Direct Line and the Combined Group set out in paragraph 7 of Part I (*Letter from the Chair of Direct Line*) of this Document. To the best of the knowledge and belief of the Aviva Directors (who have taken all reasonable care to ensure that such is the case), the information contained in this Document for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Directors

- 2.1 The Direct Line Directors and their respective positions are:

Danuta Gray	<i>Chair</i>
Adam Winslow	<i>Group Chief Executive Officer</i>
Jane Poole	<i>Group Chief Financial Officer</i>
Richard Ward	<i>Senior Independent Director</i>
Tracy Corrigan	<i>Independent Non-Executive Director</i>
Mark Gregory	<i>Independent Non-Executive Director</i>
Carol Hagh	<i>Independent Non-Executive Director</i>
Adrian Joseph	<i>Independent Non-Executive Director</i>
Mark Lewis	<i>Independent Non-Executive Director</i>
Fiona McBain	<i>Independent Non-Executive Director</i>
David Neave	<i>Independent Non-Executive Director</i>
Gregor Stewart	<i>Independent Non-Executive Director</i>

The business address of Direct Line and each of the Direct Line Directors is Churchill Court, Westmoreland Road, Bromley, Kent, BR1 1DP, United Kingdom.

The Company Secretary of Direct Line is Roger Clifton.

- 2.2 The Aviva Directors and their respective positions are as follows:

George Culmer	<i>Chair</i>
Amanda Blanc	<i>Group Chief Executive Officer</i>
Charlotte Jones	<i>Group Chief Financial Officer</i>
Patrick Flynn	<i>Senior Independent Director</i>
Cheryl Agius	<i>Independent Non-Executive Director</i>
Andrea Blance	<i>Independent Non-Executive Director</i>
Ian Clark	<i>Independent Non-Executive Director</i>
Shonaid Jemmett-Page	<i>Independent Non-Executive Director</i>
Mohit Joshi	<i>Independent Non-Executive Director</i>
Pippa Lambert	<i>Independent Non-Executive Director</i>
Jim McConville	<i>Independent Non-Executive Director</i>
Neil Morrison	<i>Independent Non-Executive Director</i>
Michael Mire	<i>Non-Executive Director</i>

The business address of Aviva and each of the Aviva Directors is 80 Fenchurch Street, London, United Kingdom, EC3M 4AE, United Kingdom.

The Company Secretary of Aviva is Susan Adams.

3. Interests and dealings

3.1 Definitions

For the purposes of this paragraph 3.1, and paragraphs 3.2, 3.3 and 4 of this Part VII (*Additional Information on Direct Line and Aviva*) of this Document:

- (A) **“acting in concert”** with Direct Line or Aviva, as the case may be, means any such person acting or deemed or presumed to be acting in concert with Direct Line or Aviva, as the case may be, for the purposes of the Takeover Code;
- (B) **“arrangement”** includes indemnity or option arrangements, and any agreement or understanding, formal or informal, of whatever nature, relating to securities which may be an inducement to deal or refrain from dealing;
- (C) **“dealing”** includes: (i) the acquisition or disposal of securities, of the right (whether conditional or absolute) to exercise or direct the exercise of the voting rights attaching to securities, or of general control of securities; (ii) the taking, granting, acquisition, disposal, entering into, closing out, termination, exercise (by either party) or variation of an option (including a traded option contract) in respect of any securities; (iii) subscribing or agreeing to subscribe for securities; (iv) the exercise or conversion, whether in respect of new or existing securities, of any securities carrying conversion or subscription rights; (v) the acquisition of, disposal of, entering into, closing out, exercise (by either party) of any rights under, or variation of, a derivative referenced, directly or indirectly, to securities; (vi) entering into, terminating or varying the terms of any agreement to purchase or sell securities; and (vii) any other action resulting, or which may result, in an increase or decrease in the number of securities in which a person is interested or in respect of which he or she has a short position;
- (D) **“derivative”** includes any financial product whose value in whole or in part is determined directly or indirectly by reference to the price of an underlying security;
- (E) **“disclosure period”** means the period commencing on 27 November 2023 (the date 12 months prior to the commencement of the Offer Period) and ending on the Latest Practicable Date;
- (F) a person has an **“interest”** or is **“interested”** in securities if he or she has a long economic exposure, whether absolute or conditional, to changes in the price of those securities (but not if he or she only has a short position in such securities) and in particular covers: (i) legal title and beneficial ownership (i.e. the ability to exercise, or control the exercise of, voting rights); (ii) the right, option or obligation to acquire, call for or take delivery of securities under an option or derivative; and (iii) the situation where a person holds a derivative referenced to, or which may result in, a long position in securities;
- (G) **“relevant Direct Line securities”** mean relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeree) of Direct Line including equity share capital of Direct Line (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof;
- (H) **“relevant Aviva securities”** mean relevant securities (such term having the meaning given to it in the Takeover Code in relation to an offeror) of Aviva including equity share capital in Aviva (or derivatives referenced thereto) and securities convertible into, rights to subscribe for and options (including traded options) in respect thereof; and
- (I) **“short position”** means any short position (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery.

3.2 Interests and dealings in Direct Line Shares

(A) Interests held by Direct Line Directors

As at the Latest Practicable Date, the Direct Line Directors (and their close relatives, related trusts and connected persons) held the following interests in, or rights to subscribe in respect of, relevant Direct Line securities (in addition to those described below in relation to the Direct Line Share Plans):

Holder	Number of Direct Line Shares	% of Direct Line's total issued share capital	Nature of interest
Adam Winslow	517,195	0.04	Ordinary shares of 10 ¹⁰ / ₁₁ pence each
Carol Hagh	10,000	0.00	Ordinary shares of 10 ¹⁰ / ₁₁ pence each
Jane Poole	172	0.00	Ordinary shares of 10 ¹⁰ / ₁₁ pence each
Danuta Gray	26,500	0.00	Ordinary shares of 10 ¹⁰ / ₁₁ pence each
Gregor Stewart	2,925	0.00	Ordinary shares of 10 ¹⁰ / ₁₁ pence each

As at the Latest Practicable Date, the Direct Line Directors (and their close relatives, related trusts and connected persons) held the following outstanding Awards under the Direct Line Share Plans set out below:

Direct Line Director	Share Plan	Number of ordinary shares under option / award	Grant date	Vesting date	Exercise price (per share)
Adam Winslow	Direct Line Long Term Incentive Plan	858,638	5 April 2024	5 April 2029	1.91
	Direct Line Restricted Share Plan	84,945	5 April 2024	25 March 2027	1.91
		84,945	5 April 2024	27 March 2026	1.91
		776,448	5 April 2024	20 March 2026	1.91
		84,945	5 April 2024	28 March 2025	1.91
Jane Poole	Direct Line Long Term Incentive Plan	798,495	5 April 2024	21 March 2025	1.91
	Direct Line Restricted Share Plan	668,693	11 November 2024	11 November 2029	1.65
		41,334	11 November 2024	25 March 2027	1.65
		76,468	11 November 2024	22 September 2026	1.65
		41,332	11 November 2024	27 March 2026	1.65
		181,034	11 November 2024	20 March 2026	1.65
		76,468	11 November 2024	22 September 2025	1.65
		25,044	11 November 2024	11 August 2025	1.65
		41,332	11 November 2024	28 March 2025	1.65
		225,496	11 November 2024	21 March 2025	1.65

(B) Interests held by Aviva and persons acting in concert with Aviva

As at the Latest Practicable Date, Aviva and persons acting in concert with Aviva held the following interests in, or rights to subscribe in respect of, relevant Direct Line securities:

Holder	Number of Direct Line Shares	% of Direct Line's total issued share capital	Nature of interest
Aviva	3,876,358*	0.29	Ordinary shares of 10 ¹⁰ / ₁₁ pence each
Goldman Sachs Bank Europe SE . .	72,249	0.01	Lent

* Aviva does not have investment discretion over 3,507,981 shares, however full voting authority is retained.

(C) Dealings by Direct Line Directors and persons acting in concert with Direct Line

As at the Latest Practicable Date, the following dealings in relevant securities in Direct Line by Direct Line Directors and persons acting in concert with Direct Line have taken place during the disclosure period:

Name	Date	Transaction	Number of Direct Line Shares	Price per unit (£)
Adam Winslow . . .	5 April 2024	Award of nil cost options under the Direct Line Insurance Group plc 2020 Long Term Incentive Plan	858,638	Nil
	5 April 2024	Award of nil cost option restricted share award pursuant to Listing Rule 9.4.2 (performance conditions do not apply)	2,795,397	Nil
	21 May 2024	Exercise of option and acquisition of shares vested under the Direct Line Restricted Share Plan	965,619 exercised (510,640 retained)	Nil
	21 May 2024	Sale of shares to cover costs of exercise including tax and dealing costs	454,979	2.03
	28 May 2024	Monthly purchase and match of shares under the Buy As You Earn Plan	106	1.405
	27 June 2024	Monthly purchase and match of shares under the Buy As You Earn Plan	108	1.395
	29 July 2024	Monthly purchase and match of shares under the Buy As You Earn Plan	119	1.263
	27 August 2024	Monthly purchase and match of shares under the Buy As You Earn Plan	118	1.260
	27 September 2024	Monthly purchase and match of shares under the Buy As You Earn Plan	122	1.237
	11 October 2024	Non-discretionary transaction involving the acquisition of shares following the reinvestment of the 2024 Interim Dividend	5,535	1.82654
	28 October 2024	Monthly purchase and match of shares under the Buy As You Earn Plan	133	1.132

<u>Name</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of Direct Line Shares</u>	<u>Price per unit (£)</u>
	27 November 2024	Monthly purchase and match of shares under the Buy As You Earn Plan	141	1.062
	27 December 2024	Monthly purchase and match of shares under the Buy As You Earn Plan	89	1.678
	27 January 2025	Monthly purchase and match of shares under the Buy As You Earn Plan	84	1.783
Carol Hagh	4 September 2024	Purchase of shares on the London Stock Exchange	10,000	1.945026
Jane Poole	11 November 2024	Award of three years' nil cost options under the DLG 2020 Long Term Incentive Plan	668,693	Nil
	11 November 2024	Award of nil cost options under the Restricted Share Plan	708,508	Nil
	27 December 2024	Monthly purchase and match of shares under the Buy As You Earn Plan	88	1.697
	27 January 2025	Monthly purchase and match of shares under the Buy As You Earn Plan	84	1.783

(D) Dealings by Aviva and persons acting in concert with Aviva

As at the Latest Practicable Date, the following dealings in relevant securities in Direct Line by the Aviva Directors have taken place during the disclosure period:

<u>Name</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of Direct Line Shares</u>	<u>Price per unit (£)</u>
Cheryl Agius	21 March 2024	Sale	88,809	2.10203

As at the Latest Practicable Date, the following dealings in relevant securities in Direct Line by Aviva and persons acting in concert with Aviva (excluding the Aviva Directors) have taken place during the disclosure period:

Purchases and Sales

<u>Name</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of Direct Line Shares</u>	<u>Price per unit (£)</u>
Aviva Investors*	30 November 2023 – 22 February 2024	Sale	757,391.00	1.635998 – 1.885000
Aviva Investors*	30 November 2023 – 22 February 2024	Purchase	188,593	1.870500 – 1.922500
Aviva Investors	4 March 2024 – 23 May 2024	Sale	266,422	1.870000 – 2.098008
Aviva Investors	4 March 2024 – 23 May 2024	Purchase	511,273	1.871600 – 2.160000
Aviva Investors	31 May 2024 – 20 August 2024	Sale	280,254	1.736996 – 2.144000
Aviva Investors	31 May 2024 – 20 August 2024	Purchase	44,795	1.878000 – 2.016000

Name	Date	Transaction	Number of Direct Line Shares	Price per unit (£)
Aviva Investors	28 August 2024 – 17 September 2024	Sale	130,681	1.760999 – 1.931001
Aviva Investors	28 August 2024 – 17 September 2024	Purchase	2,104	1.897997 – 1.898003
Aviva Investors	18 October 2024 – 26 November 2024	Sale	6,930	1.590000 – 1.638997
Aviva Investors	18 October 2024 – 26 November 2024	Purchases	17,820	1.802000

* Dealings made by fund managers on behalf of the Aviva Investors business. Aviva does not have the investment decision over dealings made on behalf of the Aviva Investors business.

Securities Borrowing and Lending

Name	Date	Transaction	Number of relevant securities
Aviva Investors*	28 November 2023 – 20 February 2024	Collateral received (title transfer)	16,519,129
Aviva Investors*	28 November 2023 – 20 February 2024	Collateral returned (title transfer)	14,586,913
Aviva Investors	5 March 2024 – 18 April 2024	Collateral received (title transfer)	11,540,046
Aviva Investors	5 March 2024 – 18 April 2024	Collateral returned (title transfer)	13,472,252
Aviva Investors	6 June 2024 – 23 August 2024	Collateral received (title transfer)	8,670,632
Aviva Investors	6 June 2024 – 23 August 2024	Collateral returned (title transfer)	8,670,641
Aviva Investors	28 August 2024 – 24 September 2024	Collateral received (title transfer)	52
Aviva Investors	28 August 2024 – 24 September 2024	Collateral returned (title transfer)	46
Aviva Investors	27 September 2024 – 23 October 2024	Collateral received (title transfer)	375,296
Aviva Investors	27 September 2024 – 23 October 2024	Collateral returned (title transfer)	375,293
Aviva Investors	30 October 2024 – 21 November 2024	Collateral received (title transfer)	406,811
Aviva Investors	30 October 2024 – 21 November 2024	Collateral returned (title transfer)	406,819
Aviva Investors	3 December 2024 – 4 December 2024	Collateral received (title transfer)	3.5
Aviva Investors	3 December 2024 – 4 December 2024	Collateral returned (title transfer)	3.5
Aviva Investors	2 January 2024	Loan	99,000
Aviva Investors	3 January 2024	Loan (return)	97,125
Aviva Investors	13 February 2024	Loan (return)	1,875
Aviva Investors	7 June 2024	Loan	39,310
Aviva Investors	10 June 2024	Loan (Return)	39,310

* Dealings made by fund managers on behalf of the Aviva Investors business. Aviva does not have the investment decision over dealings made on behalf of the Aviva Investors business.

3.3 Interests and dealings in Aviva Shares

(A) Interests held by Aviva Directors

As at the Latest Practicable Date, the Aviva Directors (and their close relatives, related trusts and connected persons) held the following interests in, or rights to subscribe in respect of, relevant Aviva securities (in addition to those described below in relation to the Aviva Share Plans):

Aviva Director	Number of Aviva Shares	% of Aviva's total issued share capital	Nature of interest
Cheryl Agius	15,000	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Amanda Blanc	1,410,276 ⁽¹⁾	0.05	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Andrea Blance	34,710 ⁽²⁾	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Ian Clark	0	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
George Culmer	210,175	0.01	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Patrick Flynn	7,600 ⁽³⁾	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Shonaid Jemmett-Page . .	10,919 ⁽⁴⁾	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Charlotte Jones	29,019 ⁽⁵⁾	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Mohit Joshi	65,089	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Pippa Lambert	17,886	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Jim McConville	14,186 ⁽⁶⁾	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Michael Mire	38,000	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Neil Morrison	100,000	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each

(1) This includes 1,366,128 Aviva Shares held by Amanda Blanc and 44,148 Aviva Shares held by her close relative.

(2) This includes 30,000 Aviva Shares held by Andrea Blance and 4,710 Aviva Shares held by her close relatives.

(3) This includes 7,600 Aviva Shares held by Patrick Flynn's close relative.

(4) This includes 5,925 Aviva Shares held by Shonaid Jemmett-Page and 4,994 Aviva Shares held by her close relatives.

(5) This includes 22,019 Aviva Shares held by Charlotte Jones and 7,000 Aviva Shares held by her close relative.

(6) This includes 4,560 Aviva Shares held by Jim McConville and 9,626 Aviva Shares held by his close relative.

As at the Latest Practicable Date, the Aviva Directors (and their close relatives, related trusts and connected persons) held the following outstanding awards over relevant Aviva securities under the Aviva Share Plans set out below:

Aviva Director	Share Plan	Number of ordinary shares under option / award	Grant date	Vesting date*	Exercise price (per share)
Amanda Blanc	Aviva Annual Bonus Plan	278,500.36	25 March 2024	28 March 2025 27 March 2026 25 March 2027	N/A
		252,776.12	20 March 2023	21 March 2025 20 March 2026	N/A
		113,938.51	21 March 2022	21 March 2025	N/A
	Long Term Incentive Plan	830,283.10	25 March 2024	25 March 2027	N/A
		1,024,506.25	20 March 2023	20 March 2026	N/A
		1,016,151.34	21 March 2022	21 March 2025	N/A
Charlotte Jones	Aviva Annual Bonus Plan	132,662.74	25 March 2024	28 March 2025 27 March 2026 25 March 2027	N/A
		35,734.94	20 March 2023	21 March 2025 20 March 2026	N/A

Aviva Director	Share Plan	Number of ordinary shares under option / award	Grant date	Vesting date*	Exercise price (per share)
	Long Term Incentive Plan	349,685.03	25 March 2024	25 March 2027	N/A
		431,684.46	20 March 2023	20 March 2026	N/A
		416,343.91	5 September 2022	21 March 2025	N/A

* The Aviva Annual Bonus Plan vests equally in three equal tranches.

(B) Interests held by Aviva and persons acting in concert with Aviva

As at the Latest Practicable Date, persons acting in concert with Aviva (excluding the Aviva Directors) held the following interests in, or rights to subscribe in respect of, relevant Aviva securities:

Concert party	Number of Aviva Shares	% of Aviva's total issued share capital	Nature of interest
Aviva plc	751,628	0.03	Aviva Shares
Aviva plc	6,217,555	0.23	Synthetic Warrants
Folio Investments, Inc	53	0.00	American Depositary Receipts
Goldman Sachs Banks Europe SE	3	0.00	Borrowed
Goldman Sachs Banks Europe SE	235,441	0.01	Lent

(C) Dealings by Aviva and persons acting in concert with Aviva

As at the Latest Practicable Date, the following dealings in relevant securities in Aviva by Aviva Directors (and their close relatives, related trusts and connected persons) have taken place during the disclosure period:

Name	Date	Transaction	Number of relevant securities	Price per unit (£)
Close relative of Charlotte Jones	7 February 2024	Purchase	1,000	4.36764
Close relative of Amanda Blanc	7 March 2024	Purchase	17,121	4.6868
Close relative of Andrea Blance	7 May 2024	Purchase	1,399	4.78787
Close relative of Charlotte Jones	29 May 2024	Purchase	1,500	4.932
Cheryl Agius	31 May 2024	Purchase	15,000	4.822839
Close relative of Amanda Blanc	4 September 2024	Purchase	6,250	4.9995
Close relative of Shonaid Jemmett-Page . .	17 October 2024	Purchase	2	4.8392
Close relative of Andrea Blance	14 November 2024	Purchase	579	4.7483
Pippa Lambert	27 December 2024	Purchase under the Aviva Non-Executive Director Share Purchase Scheme	988	4.65

As at the Latest Practicable Date, the following dealings in relevant securities in Aviva by persons acting in concert with Aviva (excluding the Aviva Directors) have taken place during the disclosure period:

Aviva Shares—Purchases and Sales

Name	Date	Transaction	Number of relevant securities	Price per unit (£)**
Aviva Investors*	14 December 2023	Sale	1,772	4.310999
Aviva Investors	22 February 2024	Sale	3,437	4.501001
Aviva Investors	26 April 2024	Sale	3,201	4.638001
Aviva Investors	30 July 2024	Sale	8,958	4.985000
Aviva Investors	15 August 2024	Sale	3,458	5.020000
Aviva Investors	2 September 2024	Sale	3,418	5.062001
Aviva Investors	20 September 2024	Purchase	3,025	4.917002
Aviva Investors	4 October 2024	Sale	3,628	4.738999
Aviva Investors	5 November 2024	Sale	3,190	4.595000
Aviva Investors	26 November 2024	Sale	3,205	4.818000
Folio Investments, Inc.	5 February 2024 – 5 February 2025 ⁽¹⁾	Sale	11	USD11.610000 – 12.780000
Folio Investments, Inc.	5 February 2024 – 5 February 2025 ⁽¹⁾	Purchase	4	USD11.492500 – 12.880000

* Dealings made by fund managers on behalf of the Aviva Investors business. Aviva does not have the investment decision over dealings made on behalf of the Aviva Investors business.

(1) Share dealings represented by dealings in Aviva sponsored ADRs.

Synthetic Warrants—Purchases and Sales

Name	Date	Transaction	Number of relevant securities	Price per unit (£)**
Aviva Investors*	27 November 2023 – 17 January 2024	Sale	7,181,309.00	4.239100 – 4.546850
Aviva Investors	27 November 2023 – 17 January 2024	Purchase	2,663,540	4.247000
Aviva Investors	20 November 2024	Purchase	3,885,298	4.795000
Aviva Investors	23 January 2024	Sale	2,332,257.00	5.104100
Aviva Investors	23 January 2024	Purchase	2,332,257.00	5.112000

* Dealings made by fund managers on behalf of the Aviva Investors business. Aviva does not have the investment decision over dealings made on behalf of the Aviva Investors business.

** Currency in Pounds Sterling, unless otherwise stated.

Securities Borrowing and Lending

Name	Date	Transaction	Number of relevant securities
Aviva Investors*	30 December 2024	Collateral received (title transfer)	291,582
Aviva Investors*	31 December 2024	Collateral returned (title transfer)	291,582
Aviva Investors	3 January 2025	Collateral received (title transfer)	171
Aviva Investors	6 January 2025	Collateral returned (title transfer)	171
Aviva Investors	7 January 2025	Collateral received (title transfer)	330
Aviva Investors	8 January 2025	Collateral returned (title transfer)	330
Aviva Investors	3 February 2025	Collateral received (title transfer)	138
Aviva Investors	4 February 2025	Collateral returned (title transfer)	138
Goldman Sachs Bank Europe SE	5 February 2024 – 10 January 2025	Loan	700,879
Goldman Sachs Bank Europe SE	5 February 2024 – 10 January 2025	Loan return	1,302,966

(D) Interests held by Direct Line Directors and persons acting in concert with Direct Line

As at the Latest Practicable Date, the Direct Line Directors (and their close relatives, related trusts and connected persons) and persons acting in concert with Direct Line held the following interests in, or rights to subscribe in respect of, relevant Aviva securities:

<u>Name</u>	<u>Number of Aviva Shares</u>	<u>% of Aviva's total issued share capital</u>	<u>Nature of interest</u>
<i>Direct Line Directors</i>			
Adam Winslow	216,039.33	0.01	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Jane Poole	48,370.39	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
	5,454	0.00	Options and conditional awards
Mark Gregory	44 ⁽¹⁾	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
<i>Persons acting in concert with Direct Line</i>			
Calvert Research and Management ⁽²⁾	226,530	0.01	Ordinary shares of 32 ¹⁷ / ₁₉ pence each
Eaton Vance Management ⁽³⁾	672 ⁽⁴⁾	0.00	Ordinary shares of 32 ¹⁷ / ₁₉ pence each

(1) This includes 44 Aviva Shares held by Mark Gregory's close relative.

(2) Calvert Research and Management is a subsidiary of Morgan Stanley. Morgan Stanley & Co. (a subsidiary of Morgan Stanley) is acting as financial adviser to Direct Line.

(3) Eaton Vance Management is a subsidiary of Morgan Stanley. Morgan Stanley & Co. (a subsidiary of Morgan Stanley) is acting as financial adviser to Direct Line.

(4) The ordinary shares are held by Eaton Vance Management as 336 sponsored ADRs.

(E) Dealings by Direct Line Directors and persons acting in concert with Direct Line

As at the Latest Practicable Date, the following dealings in relevant securities in Aviva by Direct Line Directors (and their close relatives, related trusts and connected persons) and persons acting in concert with Direct Line have taken place during the disclosure period:

Direct Line Directors

<u>Direct Line Director</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of relevant securities</u>	<u>Price per unit (£)</u>
Adam Winslow	19 December 2023	Monthly purchase of shares under the All Employee Share Ownership Plan	34	4.34
	19 December 2023	Monthly match of shares under the All Employee Share Ownership Plan	24	4.34
	17 January 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	35	4.32
	17 January 2024	Monthly match of shares under the All Employee Share Ownership Plan	22	4.32
	20 February 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	35	4.29

Direct Line Director	Date	Transaction	Number of relevant securities	Price per unit (£)
	20 February 2024	Monthly match of shares under the All Employee Share Ownership Plan	24	4.29
	19 March 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	31	4.80
	19 March 2024	Monthly match of shares under the All Employee Share Ownership Plan	20	4.80
	22 March 2024	Sale	1,061	4.779614
	22 March 2024	Sale	696	4.796997
	22 March 2024	Sale	102	4.80
Jane Poole	19 December 2023	Monthly purchase of shares under the All Employee Share Ownership Plan	9	4.34
	19 December 2023	Monthly match of shares under the All Employee Share Ownership Plan	18	4.34
	17 January 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	9	4.32
	17 January 2024	Monthly match of shares under the All Employee Share Ownership Plan	18	4.32
	20 February 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	10	4.29
	20 February 2024	Monthly match of shares under the All Employee Share Ownership Plan	20	4.29
	19 March 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	8	4.80
	19 March 2024	Monthly match of shares under the All Employee Share Ownership Plan	16	4.80
	22 March 2024	Acquisition of Aviva Shares under the Aviva Long Term Incentive Plan	47,062	4.945
	22 March 2024	Sale	14,139.67	4.80
	26 March 2024	Acquisition of Aviva Shares under the Aviva Long Term Incentive Plan	28,522.87	3.95

Direct Line Director	Date	Transaction	Number of relevant securities	Price per unit (£)
	26 March 2024	Acquisition of Aviva Shares under the Annual Bonus Plan	8,549.67	4.09
	26 March 2024	Acquisition of Aviva Shares under the Annual Bonus Plan	5,796.45	4.24
	26 March 2024	Acquisition of Aviva Shares under the Annual Bonus Plan	4,753.41	3.95
	17 April 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	9	4.64
	17 April 2024	Monthly match of shares under the All Employee Share Ownership Plan	18	4.63
	17 May 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	8	4.89
	17 May 2024	Monthly match of shares under the All Employee Share Ownership Plan	16	4.89
	19 June 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	8	4.75
	19 June 2024	Monthly match of shares under the All Employee Share Ownership Plan	16	4.75
	17 July 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	8	4.90
	17 July 2024	Monthly match of shares under the All Employee Share Ownership Plan	16	4.90
	19 August 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	8	4.97
	19 August 2024	Monthly match of shares under the All Employee Share Ownership Plan	16	4.97
	19 September 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	9	4.91
	19 September 2024	Monthly match of shares under the All Employee Share Ownership Plan	18	4.91

<u>Direct Line Director</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of relevant securities</u>	<u>Price per unit (£)</u>
	17 October 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	8	4.81
	17 October 2024	Monthly match of shares under the All Employee Share Ownership Plan	16	4.81
	19 November 2024	Monthly purchase of shares under the All Employee Share Ownership Plan	8	4.76
	19 November 2024	Monthly match of shares under the All Employee Share Ownership Plan	16	4.76
	2 January 2025	Sale	206	4.633981
	2 January 2025	Sale	102	4.63402

Persons acting in concert with Direct Line

<u>Concert party</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of relevant securities</u>	<u>Price per unit (£)**</u>
Calvert Research and Management	29 October 2024	Purchase of Aviva Shares	526	4.618288
	29 October 2024	Purchase of Aviva Shares	209	4.618277
	28 October 2024	Purchase of Aviva Shares	85	4.665529
	19 September 2024	Sale of Aviva Shares	156	4.9525
	30 August 2024	Sale of Aviva Shares	305	5.043475
	22 August 2024	Purchase of Aviva Shares	115	5.035565
	6 August 2024	Purchase of Aviva Shares	17,157	4.698369
	30 July 2024	Purchase of Aviva Shares	216	4.956111
	24 July 2024	Sale of Aviva Shares	57	4.837543
	24 July 2024	Sale of Aviva Shares	156	4.837564
	18 July 2024	Sale of Aviva Shares	358	4.847569
	28 June 2024	Purchase of Aviva Shares	177	4.81531
	26 June 2024	Purchase of Aviva Shares	122	4.836229
	14 June 2024	Purchase of Aviva Shares	16,526	4.760712
	13 June 2024	Purchase of Aviva Shares	530	4.78015
	11 June 2024	Purchase of Aviva Shares	103	4.752038
	11 June 2024	Sale of Aviva Shares	1,133	4.682656
	4 June 2024	Purchase of Aviva Shares	798	4.806303
	30 May 2024	Purchase of Aviva Shares	90	4.817444
	30 May 2024	Purchase of Aviva Shares	207	4.817391
	17 May 2024	Purchase of Aviva Shares	217	4.997373
	3 May 2024	Purchase of Aviva Shares	2,134	4.725871
	30 April 2024	Purchase of Aviva Shares	237	4.682616
Eaton Vance Management	4 November 2024	Sale of Aviva Shares	28,660	4.5774
	30 October 2024	Sale of Aviva Shares	39,958	4.6428
	9 October 2024	Sale of Aviva Shares	169,353	4.7575
	3 October 2024	Sale of Aviva Shares	3,758	4.703
	23 September 2024	Sale of Aviva Shares	652,383	4.9119
	3 September 2024	Purchase of Aviva Shares	28,660	5.0208
	6 August 2024	Purchase of Aviva Shares	169,353	4.6577

<u>Concert party</u>	<u>Date</u>	<u>Transaction</u>	<u>Number of relevant securities</u>	<u>Price per unit (£)**</u>
	24 July 2024	Sale of Aviva Shares*	4	USD12.59
	5 July 2024	Purchase of Aviva Shares	10,107	4.7694
	1 July 2024	Purchase of Aviva Shares	9,277	4.7986
	28 June 2024	Purchase of Aviva Shares	253,002	4.8035
	24 June 2024	Purchase of Aviva Shares	7,603	4.8221
	21 June 2024	Purchase of Aviva Shares	264,001	4.798
	3 June 2024	Purchase of Aviva Shares	12,971	4.7885
	30 May 2024	Sale of Aviva Shares*	2	USD12.35
	15 May 2024	Sale of Aviva Shares	234,384	4.9264
	7 May 2024	Sale of Aviva Shares	8,419	4.755
	30 April 2024	Sale of Aviva Shares*	9	USD11.86
	23 April 2024	Sale of Aviva Shares	377,854	4.7072
	2 April 2024	Purchase of Aviva Shares	3,758	4.9395
	20 March 2024	Purchase of Aviva Shares	135,380	4.8234
	12 March 2024	Purchase of Aviva Shares	234,384	4.7314
	19 January 2024	Purchase of Aviva Shares	5,008	4.3276
	8 January 2024	Purchase of Aviva Shares	142,376	4.3465
	4 January 2024	Purchase of Aviva Shares	235,478	4.3158
	3 January 2024	Purchase of Aviva Shares	3,411	4.2933

* Share dealings represented by dealings in Aviva sponsored ADRs.

** Currency in Pounds Sterling, unless otherwise stated.

4. Interests and Dealings—General

4.1 Save as disclosed in paragraphs 3.2 and 3.3 above, and paragraph 5 below, as at the Latest Practicable Date:

- (A) no member of the Aviva Group had any interest in, right to subscribe in respect of or any short position in relation to any relevant Direct Line securities, nor has any such person dealt in any relevant Direct Line securities or any relevant Aviva securities during the disclosure period;
- (B) none of the Aviva Directors (nor their close relatives, related trusts and connected persons) had any interest in, right to subscribe in respect of or any short position in relation to any relevant Direct Line securities or any relevant Aviva securities, nor has any such person dealt in any relevant Direct Line securities or any relevant Aviva securities during the disclosure period;
- (C) no person acting in concert with Aviva had any interest in, right to subscribe in respect of or any short position in relation to any relevant Direct Line securities or any relevant Aviva securities, nor has any such person dealt in any relevant Direct Line securities or any relevant Aviva securities during the disclosure period;
- (D) no person who has an arrangement with Aviva or any person acting in concert with Aviva had any interest in, right to subscribe in respect of or any short position in relation to any relevant Direct Line securities or any relevant Aviva securities, nor has any such person dealt in any relevant Direct Line securities or any relevant Aviva securities during the disclosure period; and
- (E) neither Aviva nor any person acting in concert with Aviva, has borrowed or lent any relevant Direct Line securities or any relevant Aviva securities (including for these purposes any financial or collateral arrangements) during the disclosure period, save for any borrowed shares which have been either on-lent or sold.

- 4.2 Save as disclosed in paragraphs 3.2 and 3.3 above, and paragraph 5 below, as at the Latest Practicable Date:
- (A) no member of the Direct Line Group had any interest in, right to subscribe in respect of or any short position in relation to relevant Aviva securities, nor has any such person dealt in any relevant Direct Line securities or relevant Aviva securities during the Offer Period;
 - (B) none of the Direct Line Directors (nor their close relatives, related trusts and connected persons) had any interest in, right to subscribe in respect of or any short position in relation to any relevant Direct Line securities or relevant Aviva securities, nor has any such person dealt in any relevant Direct Line securities or relevant Aviva securities during the Offer Period;
 - (C) no person acting in concert with Direct Line had any interest in, right to subscribe in respect of or any short position in relation to any relevant Direct Line securities or relevant Aviva securities, nor has any such person dealt in any relevant Direct Line securities or relevant Aviva securities during the Offer Period;
 - (D) no person who has an arrangement with Direct Line had any interest in, right to subscribe in respect of or any short position in relation to any relevant Direct Line securities or relevant Aviva securities, nor has any such person dealt in any relevant Direct Line securities or relevant Aviva securities during the Offer Period; and
 - (E) neither Direct Line nor any person acting in concert with Direct Line has borrowed or lent any relevant Direct Line securities or relevant Aviva securities (including for these purposes any financial or collateral arrangements) during the Offer Period, save for any borrowed shares which have been either on-lent or sold.
- 4.3 Save as disclosed in paragraph 5 below, no persons have given any irrevocable or other commitment to vote in favour of the Scheme or the Special Resolution to be proposed at the General Meeting.
- 4.4 Save as disclosed herein, none of: (i) Aviva or any person acting in concert with Aviva; or (ii) Direct Line or any person acting in concert with Direct Line, has any arrangement in relation to relevant Direct Line securities or relevant Aviva securities.
- 4.5 Save as disclosed herein, no agreement, arrangement or understanding (including any compensation arrangement) exists between Direct Line, Aviva or any person acting in concert with them and any of the Direct Line Directors or the recent directors, shareholders or recent shareholders of Direct Line having any connection with or dependence upon or which is conditional upon the Acquisition.
- 4.6 There is no agreement, arrangement or understanding whereby the beneficial ownership of any Direct Line Shares to be acquired by Aviva pursuant to the Scheme will be transferred to any other person.

5. Irrevocable undertakings from Direct Line Directors

- 5.1 Aviva has received irrevocable undertakings from certain Direct Line Directors in respect of a total of 556,792 Direct Line Shares representing, in aggregate, approximately 0.04 percent of Direct Line's issued ordinary share capital as at the Latest Practicable Date, as set out below.
- 5.2 The following Direct Line Directors have given irrevocable undertakings to vote, or procure votes, in favour of the Scheme at the Court Meeting and the Special Resolution to be proposed to implement the Scheme at the General Meeting (or, in the event the Acquisition is implemented by way of a Takeover Offer, to accept, or procure acceptance of, such Takeover Offer) in respect of those Direct Line Shares that they (or their immediate family) beneficially hold:

<u>Name of Direct Line Director</u>	<u>Number of Direct Line Shares in respect of which undertaking is given</u>	<u>% of Direct Line's issued ordinary share capital</u>
Adam Winslow	517,195	0.04
Jane Poole	172	0.00
Carol Hagh	10,000	0.00
Danuta Gray	26,500	0.00
Gregor Stewart	2,925	0.00

5.3 These irrevocable undertakings also extend to any Direct Line Shares acquired by the Direct Line Directors as a result of the vesting of and/or the exercise of Awards under the Direct Line Share Plans, other than any Direct Line Shares acquired under the Direct Line Group Share Incentive Plan.

5.4 The obligations of the Direct Line Directors under these irrevocable undertakings remain binding in the event a higher competing offer is made for Direct Line and will cease to be binding on the earlier of the following occurrences:

- (A) if Aviva announces its election to implement the Acquisition by way of a Takeover Offer, and the formal document containing the Takeover Offer is not published within 28 days (or such longer period as the Panel may agree) after the date of the announcement of such election unless, on or before that date (as extended, if applicable), Aviva announces its election to implement the Acquisition by way of a Scheme or otherwise;
- (B) if the Scheme or Takeover Offer lapses or is withdrawn in accordance with its terms and Aviva publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Takeover Offer or Scheme or otherwise;
- (C) if Aviva announces, with the consent of the Panel, that it does not intend to make or proceed with the Acquisition and no new, revised or replacement offer or scheme is announced in accordance with Rule 2.7 of the Takeover Code at the same time;
- (D) if the Scheme has not become Effective by the Long Stop Date; or
- (E) if any competing offer for Direct Line is declared unconditional or, if proceeding by way of a scheme of arrangement, becomes effective.

5.5 Copies of the irrevocable undertakings are available on Direct Line's website at <https://www.directlinegroup.co.uk/en/investors> and will remain on display until the end of the Offer Period.

6. Rights attached to the New Aviva Shares

6.1 Type and class of securities being offered

In consideration of its offer in relation to the Acquisition, Aviva intends to issue the New Aviva Shares to the Scheme Shareholders. The ISIN of the New Aviva Shares will, when issued, be GB00BPQY8M80.

6.2 Currency of securities

Pounds Sterling in respect of the Aviva Shares and the New Aviva Shares.

6.3 Number of shares in issue

As at the Latest Practicable Date, Aviva had 2,677,649,489 fully paid Aviva Shares in issue.

6.4 Description of the rights attaching to the securities

The New Aviva Shares to be issued pursuant to the Scheme will, when issued, be ordinary shares in the capital of Aviva with a nominal value of 32 ¹⁷/₁₉ pence each, and be issued credited as fully paid and will rank *pari passu* in all respects with the existing Aviva Shares, including the right to receive and retain in full all dividends and other distributions, (if any) made, paid or declared by reference to a record date falling on or after the Effective Date.

6.5 Restrictions on the free transferability of the securities

The New Aviva Shares will, when issued, be freely transferable and there are no restrictions on transfer. However, the making of the proposed offer of New Aviva Shares to persons located or resident in, or who are citizens of, or who have a registered address in countries other than the UK may be affected by the law or regulatory requirements of the relevant jurisdiction, which may include restrictions on the free transferability of such New Aviva Shares.

6.6 Admission

The existing Aviva Shares are listed on the Equity Shares (Commercial Companies) category of the Official List and are traded on the Main Market.

It is intended that applications will be made to the FCA and the London Stock Exchange, respectively, for the New Aviva Shares to be admitted to the Equity Shares (Commercial Companies) category of the Official List and to trading on the Main Market.

On the basis of the Expected Timetable of Principal Events (as set out at pages 15 to 16 above), it is expected that Admission will become effective and unconditional dealing in the New Aviva Shares on the Main Market will commence at or shortly after 8.00 a.m. on the first Business Day following the Effective Date.

7. Directors' service agreements and letters of appointment

7.1 Executive Directors' service contracts

Set out below are details of the service contracts of the Executive Directors:

Name of Executive Director	Date of service contract	Effective date of appointment	Notice period
Adam Winslow	30 August 2023	1 March 2024 ⁽¹⁾	12 months' notice by either party ⁽²⁾
Jane Poole	9 April 2024	10 October 2024	12 months' notice by either party ⁽³⁾

(1) Adam Winslow's appointment as Chief Executive Officer took effect on 1 March 2024 and he was appointed to the Direct Line Board with effect from 21 March 2024.

(2) As Adam Winslow's service contract will continue unless terminated in accordance with its terms, there is no unexpired term for his appointment.

(3) As Jane Poole's service contract will continue unless terminated in accordance with its terms, there is no unexpired term for her appointment.

(A) Adam Winslow was appointed as Chief Executive Officer of Direct Line on 1 March 2024. He is currently engaged under a service contract with Direct Line dated 30 August 2023 and his current annual base salary is £820,000. Jane Poole's appointment as Group Chief Financial Officer commenced on 10 October 2024. She is currently engaged under a service contract with Direct Line dated 9 April 2024 and her current annual base salary is £550,000. Each Direct Line Executive Director's base salary is normally reviewed (but not necessarily increased) annually.

(B) The Direct Line Executive Directors are both eligible to receive a Direct Line pension contribution equal to 9 percent of their base salary (or such other percentage as the Direct Line Remuneration Committee determines is in line with the wider workforce level of pension contributions from time to time). The Chief Executive Officer and Group Chief Financial Officer may also elect under their service contracts to opt out of or reduce the level of contribution to the pension arrangement and instead receive a cash allowance in lieu of pension benefits (subject to deductions for tax and national insurance contributions).

(C) Benefits available to the Direct Line Executive Directors include life assurance, income protection, private medical cover, an annual health check, discounted car and home insurance, and free travel insurance and breakdown cover. Benefits available to Adam Winslow also include provision of a car service as required for reasonable business travel.

- (D) Under their respective service contracts, Adam Winslow and Jane Poole may be eligible to participate in such bonus schemes as the Direct Line Remuneration Committee, in its absolute discretion, may from time to time determine. The maximum potential annual bonus for each of the Direct Line Executive Directors is 175 percent of salary. Normally, 60 percent of any bonus is paid in cash, with the remaining 40 percent deferred into shares which vest after three years, subject to continued employment.
- (E) Under their respective service contracts, Adam Winslow and Jane Poole may be eligible to participate in Direct Line's long-term incentive plan as the Direct Line Remuneration Committee, in its absolute discretion, may from time to time determine. The maximum potential award for each of the Direct Line Executive Directors is normally 200 percent of base salary in respect of a financial year (or 300 percent of base salary in exceptional circumstances).
- (F) Each Direct Line Executive Director's service contract can be terminated on notice (or, in specified circumstances, summarily) and their service contracts have no fixed expiry date. The appointment of the Direct Line Executive Directors is terminable: (i) on 12 months' notice by the Executive Director; (ii) on 12 months' notice by Direct Line (where their employment is terminated without cause); or (iii) with immediate effect in specified circumstances, including in the event of the Direct Line Executive Directors' serious or persistent breach of their duties, gross misconduct or conviction of certain criminal offences, in which case they will not be entitled to any payment other than the amounts accrued but unpaid as at termination. Should notice be served, the Direct Line Executive Directors will continue to receive basic salary, benefits and pension for the duration of their notice period. Direct Line may require the individual to continue to fulfil their current duties or may assign a period of garden leave. In addition, at any point after notice in (i) or (ii) is given, Direct Line may terminate the Direct Line Executive Directors' appointment with immediate effect and make a payment in lieu of base salary only to which the Direct Line Executive Director would have been entitled during the unexpired period of notice which could be paid in monthly instalments until the date on which the 12-month notice period would have expired, subject to mitigation, such that payments will either reduce, or stop completely, if the Direct Line Executive Director obtains alternative employment, or as one lump sum.
- (G) Each Direct Line Executive Director is subject to some limited post-termination restrictions for a period of 12 months after termination. The Direct Line Executive Directors' service contracts provide explicitly that the period of post-termination restrictions will be reduced by any period of garden leave.

7.2 Chair and other Direct Line Non-Executive Directors

- (A) The Direct Line Non-Executive Directors have entered into letters of appointment. The appointment of each Direct Line Non-Executive Director is subject to their continued satisfactory performance and re-election at annual general meetings of Direct Line.
- (B) Each Direct Line Non-Executive Director's letter of appointment is terminable by either party on three months' written notice. They may also cease to hold office as a director in accordance with the Articles of Association. In the event that a Direct Line Non-Executive Director retires or is not re-elected, their appointment will terminate automatically, with immediate effect and without compensation. Each Direct Line Non-Executive Director's letter of appointment is also terminable by Direct Line with immediate effect without payment of compensation if the Direct Line Non-Executive Director: (i) commits a material breach of their obligations under the letter of appointment; (ii) commits a serious or repeated breach or non-observance of their obligations to Direct Line; (iii) is guilty of any fraud or dishonesty or has acted in a manner which, in the opinion of Direct Line, brings or is likely to bring the Direct Line Non-Executive Director or Direct Line into disrepute or is materially adverse to Direct Line's interests; (iv) is convicted of certain arrestable criminal offences; (v) is declared bankrupt; or (vi) is disqualified from acting as a director.

- (C) Under the letters of appointment, the Direct Line Non-Executive Directors are typically appointed for an initial three-year term and are typically expected to serve two three-year terms, which may be extended for an additional period (subject to Direct Line Board review and re-election at the Direct Line annual general meeting).

Name of Director	Date appointed Director	Original letter of appointment date	Date of current appointment	Fees (per annum) ⁽¹⁾
Danuta Gray (Chair)	1 February 2017	22 February 2017	9 May 2023	£350,000
Richard Ward	18 January 2016	28 January 2016	8 November 2022	£150,000
Tracy Corrigan	1 November 2021	28 October 2021	1 November 2021	£105,000
Mark Gregory	1 March 2018	1 March 2018	15 May 2024	£135,000
Carol Hagh	1 April 2024	5 April 2024	1 April 2024	£90,000
Adrian Joseph	1 January 2021	30 December 2020	15 May 2024	£85,000
Mark Lewis	30 March 2023	30 March 2023	30 March 2023	£95,000
Fiona McBain	1 September 2018	27 September 2018	20 February 2023	£115,000
David Neave	19 October 2023	20 October 2023	19 October 2023	£100,000
Gregor Stewart	1 March 2018	1 March 2018	15 May 2024	£120,000

(1) Inclusive of additional fees for Direct Line Board Chair, Senior Independent Director and board committee chairs.

Direct Line also maintains directors' and officers' liability insurance for the benefit of each Direct Line Non-Executive Director.

7.3 Other service agreements

Save as disclosed above, there are no service contracts or letters of appointment, between any Direct Line Director or proposed director of Direct Line and any member of the Direct Line Group and no such contract or letter of appointment has been entered into or amended within the six months preceding the date of this Document.

Save as set out in paragraph 13 of Part II (*Explanatory Statement*) of this Document, the effect of the Scheme on the interests of the Direct Line Directors does not differ from its effect on the like interests of any other holder of Scheme Shares.

The emoluments of the Aviva Directors will not be affected by the acquisition of Direct Line or by any other associated transaction.

7.4 Amendments, other contracts and other compensation

Save as disclosed above, there are no other contracts of service between the Direct Line Directors and Direct Line or any of its subsidiaries.

Save as disclosed in this paragraph 7.4:

- (A) no Direct Line Director is entitled to commission or profit sharing arrangements;
- (B) neither the service contracts nor any of the letters of appointment set out in this paragraph 7 have been entered into or amended during the six months prior to the date of this Document; and
- (C) other than statutory compensation and payment in lieu of notice, no compensation is payable by Direct Line to any Direct Line Director upon early termination of their employment or appointment.

8. Market quotations

The following table shows the Closing Price for Direct Line Shares and Aviva Shares respectively as derived from the Official List for: (i) the first Business Day of each of the six months before the date of this Document; and (ii) 26 November 2024, being the last Business Day prior to the date of the commencement of the Offer Period and as derived from Bloomberg for the Latest Practicable Date:

Date	Direct Line Share price (p)	Aviva Share price (p)
2 September 2024	191.4	506.2
1 October 2024	185.8	479.7
1 November 2024	164.6	458.0
26 November 2024	159.0	481.8
2 December 2024	232.0	483.2
2 January 2025	256.0	473.5
3 February 2025	265.4	507.2
5 February 2025	265.8	507.8

9. Material contracts

9.1 Direct Line material contracts

Save as disclosed below, no member of the Direct Line Group has, during the period beginning 27 November 2022 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, and which are or may be material, have been entered into by members of the Direct Line Group during the period beginning 27 November 2022 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date.

Co-operation Agreement

See paragraph 11 below of this Part VII (*Additional Information on Direct Line and Aviva*) of this Document.

RSA Business Transfer Agreement

On 6 September 2023, Direct Line entered into a Business Transfer Agreement (the “**BTA**”) with (among others) Royal & Sun Alliance Insurance Limited (“**RSA**”) and Intact Financial Corporation (“**Intact**”), pursuant to which Direct Line agreed to sell its brokered commercial lines insurance and coinsurance business (the “**Business**”) to RSA. The BTA was amended and restated on 1 May 2024. The disposal constituted a Class 1 transaction under the Listing Rules in force at the time and was approved by the requisite majority of Direct Line Shareholders on 19 October 2023. The initial cash consideration for the sale was £520 million, which was paid to Direct Line on 26 October 2023 (the “**Initial Consideration Date**”), with additional consideration of up to £30 million subject to certain earn-out provisions relating to the financial performance of the Business being met (the “**Additional Consideration**”). As at the Latest Practicable Date, the full amount of the Additional Consideration remains outstanding and will not be payable unless and until the Part VII Transfer envisaged in the BTA becomes effective. The amount (if any) of the Additional Consideration that Direct Line will receive depends on the combined operating ratio threshold of the Business at the date on which the Part VII Transfer becomes effective.

The BTA contains warranties given by Direct Line to RSA that are customary for a transaction of this nature, as well as customary cross indemnities provided by both parties for liabilities arising before and after the “**Risk Transfer Date**” (1 October 2023) and cross indemnities relating to liabilities arising from cybersecurity incidents and TUPE transfers. In addition, Direct Line has provided an indemnity to RSA for certain liabilities in connection with the transfer and use of personal data, in respect of which Direct Line’s liability is capped at £10 million and only covers claims brought by RSA between the Initial Consideration Date and 18 months after the “**Operational Transfer Date**” (1 May 2024), namely 1 November 2025.

The BTA also contains non-compete and non-solicitation covenants given by Direct Line for 24 months from the Operational Transfer Date, which will terminate by 30 June 2026. These covenants are subject to several carve-outs, including, but not limited to, permitting Direct Line to carry out any activity: (i) in relation to its personal lines insurance business; (ii) through a price comparison website; and (iii) in relation to Direct Line for Business or Churchill Business (in each case, subject to certain restrictions).

9.2 **Aviva material contracts**

Save as disclosed below, no member of the Aviva Group has, during the period beginning 27 November 2022 (being two years prior to the commencement of the Offer Period) and ending on the Latest Practicable Date, entered into any material contract otherwise than in the ordinary course of business.

The following contracts, not being contracts entered into in the ordinary course of business, and which are or may be material, have been entered into by members of the Aviva Group during the disclosure period.

Bridge Facility Agreement

Key terms and parties

On 23 December 2024, Aviva entered into a bridge term facility agreement (the “**Bridge Facility Agreement**”) pursuant to which Citibank, N.A., London Branch as lender thereto made available an up to £1,850,000,000 term facility to Aviva plc (the “**Bridge Facility**”). The Bridge Facility Agreement was entered into between Aviva plc as company, Citibank, N.A., London Branch as mandated lead arranger and original lender and Citibank Europe plc, UK Branch as agent. The Bridge Facility was subsequently syndicated on 29 January 2025 pursuant to a syndication agreement entered into between Aviva plc as company, Citibank, N.A., London Branch as mandated lead arranger and existing lender (the “**Existing Lender**”), Citibank Europe plc, UK Branch as agent and Goldman Sachs International Bank, Banco Santander, S.A., London Branch, Barclays Bank PLC, Crédit Agricole Corporate and Investment Bank, Deutsche Bank Luxembourg S.A., HSBC Bank plc, JPMorgan Chase Bank N.A, London Branch, Lloyds Bank Corporate Markets plc, Natwest Markets Plc and Societe Generale, London Branch as new lenders (together with the Existing Lender, the “**Lenders**”).

The Bridge Facility is unsecured and is not guaranteed.

Purpose

The Bridge Facility is for the purpose of financing the Acquisition (as defined in the Bridge Facility Agreement) and paying costs related to the Acquisition.

Availability and maturity

The Bridge Facility is available to be drawn from the date of the Bridge Facility Agreement to the last day of the Certain Funds Period (as defined in the Bridge Facility Agreement).

The Bridge Facility Agreement provides for any undrawn commitments of the Lenders to be automatically cancelled at the end of the availability period.

The Bridge Facility Agreement currently has an initial termination date of 23 December 2025, which may be extended on four separate occasions at the sole discretion of Aviva by an additional three months, such that the latest possible termination date is 23 December 2026.

Prepayment/cancellation

Subject to certain conditions, Aviva may: (a) voluntarily cancel the whole or any part (subject to a de-minimis of £5 million) of the available Bridge Facility; and (b) voluntarily prepay the whole or part of any loan (subject to a de-minimis of £5 million). Amounts prepaid may not be re-borrowed.

In addition to voluntary prepayments, the Bridge Facility Agreement requires mandatory cancellation and, if applicable, prepayment in full or in part in certain circumstances, including due to illegality or with the proceeds from certain debt issuances.

Aviva may choose to cancel and prepay a Lender in certain circumstances including if a Lender has become and continues to be a defaulting lender if a Lender makes a claim for indemnification for tax or increased costs or if Aviva plc is required to make a tax gross-up.

Commitment Fee

A commitment fee is payable under the Bridge Facility Agreement at a variable rate of the applicable margin on the available commitments under the Bridge Facility in respect of specified periods, as follows:

- no commitment fee is payable in respect of the period from (and including) the date of the Bridge Facility Agreement to (but excluding) the date falling two months after the date of the Bridge Facility Agreement;
- a commitment fee of 15 percent of the applicable margin on the available commitments under the Bridge Facility Agreement is payable in respect of the period from (and including) the date falling two months after the date of the Bridge Facility Agreement to (but excluding) the date falling four months after the date of the Bridge Facility Agreement (or to (but including) the last day of the availability period of the Bridge Facility (if earlier)); and
- a commitment fee of 30 percent of the applicable margin on the available commitments under the Bridge Facility Agreement is payable in respect of the period from (and including) the date falling four months after the date of the Bridge Facility Agreement to (but including) the last day of the availability period of the Bridge Facility.

Interest

Interest is payable under the Bridge Facility Agreement at a rate of compounded SONIA plus the applicable margin. The margin is 0.35 percent per annum in respect of the period from (and including) the date of the Bridge Facility Agreement, and increases by (i) 0.20 percent per annum from (and including) the date falling three months after the date of the Bridge Facility Agreement, (ii) a further increment of 0.20 percent per annum from (and including) the date falling six months after the date of the Bridge Facility Agreement, (iii) a further increment of 0.30 percent per annum from (and including) the date falling nine months after the date of the Bridge Facility Agreement, (iv) a further increment of 0.30 percent per annum from (and including) the date falling twelve months after the date of the Bridge Facility Agreement, (v) a further increment of 0.30 percent per annum from (and including) the date falling 15 months after the date of the Bridge Facility Agreement, (vi) a further increment of 0.30 percent per annum from (and including) the date falling 18 months after the date of the Bridge Facility Agreement, and (vii) a final, further increment of 0.30 percent per annum from (and including) the date falling 21 months after the date of the Bridge Facility Agreement to and including the termination date.

Representations, covenants and events of default

The Bridge Facility Agreement contains representations, information and general undertakings that are customary for debt facilities of this nature. The Bridge Facility Agreement also contains a number of restrictive and other covenants, but is not subject to any financial covenants.

The Bridge Facility Agreement further contains customary events of default. At any time after the occurrence of an event of default, lenders holding 66⅔ percent or more of the total commitments or, if the Bridge Facility is drawn, outstanding loans under the Bridge Facility Agreement may instruct the agent to cancel the available commitments and declare that all or any part of amounts outstanding are immediately due and payable and/or payable on demand.

Governing law

The Bridge Facility Agreement and any non-contractual obligations arising out of or in connection with it are governed by English law.

Co-operation Agreement

See paragraph 11 below of this Part VII (*Additional Information on Direct Line and Aviva*) of this Document.

10. Legal and arbitration proceedings

10.1 The following disclosures are made for the purposes, among other things, of satisfying certain requirements of Aviva under Chapter 7 of the Listing Rules:

- (A) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Aviva is aware), during the period covering the 12 months preceding the date of this Document, which may have, or have had in the recent past, significant effects on Aviva or the financial position or profitability of Aviva.
- (B) There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which Direct Line is aware), during the period covering the 12 months preceding the date of this Document, which may have, or have had in the recent past, significant effects on Direct Line or the financial position or profitability of Direct Line.

11. Offer-related arrangements

Co-operation Agreement

On 23 December 2024, Aviva and Direct Line entered into a co-operation agreement (the “**Co-operation Agreement**”) in relation to the Acquisition. Pursuant to the Co-operation Agreement, among other things:

- Aviva has agreed to use all reasonable endeavours to obtain the regulatory clearances and authorisations necessary to satisfy the Conditions set out in paragraphs 3(a) and 3(c) of Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document as soon as is reasonably practicable and in any event in sufficient time to enable the Effective Date to occur prior to the Long Stop Date;
- Aviva and Direct Line have agreed to certain customary undertakings to co-operate in relation to such regulatory clearances and authorisations;
- Aviva has agreed to pay a break fee of £60 million to Direct Line if the Condition set out in paragraph 3(c)(ii) of Part III (*Conditions to the Implementation of the Scheme and to the Acquisition*) of this Document is invoked or is not satisfied by the Long Stop Date;
- the parties have agreed certain arrangements and limitations in relation to the payments of dividends, as summarised in paragraph 3 of Part I (*Letter from the Chair of Direct Line*) of this Document;
- the parties have agreed to (i) certain provisions that shall apply with respect to the Direct Line Share Plans, its other incentive arrangements and other employee-related matters (further details of which are summarised at paragraph 12 of Part II (*Explanatory Statement*)); and (ii) certain provisions if the Acquisition should switch to a Takeover Offer; and
- Aviva has also agreed to provide Direct Line with certain information for the purposes of this Document and to otherwise assist with the preparation of this Document.

The Co-operation Agreement records the intention of Aviva and Direct Line to implement the Acquisition by way of the Scheme, subject to Aviva’s right to switch to a Takeover Offer in certain circumstances. Aviva and Direct Line have agreed to certain customary provisions if the Scheme should switch to a Takeover Offer.

The Co-operation Agreement shall terminate in certain customary circumstances, including but not limited to:

- if agreed in writing between Aviva and Direct Line;
- upon written notice served by Aviva to Direct Line if the Direct Line Directors’ recommendation in respect of the Acquisition changes in a manner that is adverse in the context of the Acquisition;
- upon written notice by either Aviva or Direct Line to the other if: (i) prior to the Long Stop Date, a third party offer for Direct Line becomes effective or is declared or becomes unconditional; (ii) if the Acquisition (whether implemented by way of the Scheme or the

Takeover Offer) is withdrawn, terminates or lapses in accordance with its terms and (where required) with the permission of the Panel, unless such lapse or withdrawal: (a) is as a result of a switch to a Takeover Offer; or (b) is to be followed promptly by a firm intention announcement (under Rule 2.7 of the Takeover Code) made by Aviva or any person acting in concert with Aviva to implement the Acquisition by a different offer or scheme on substantially the same or improved terms, and such announcement is made within 5 Business Days of such lapse or withdrawal; (iii) prior to the Long Stop Date: (a) any Condition which has not been waived is (or has become) incapable of satisfaction by the Long Stop Date and, notwithstanding that it has the right to waive such Condition, Aviva has stated in writing that it shall not do so; or (b) any Condition which is incapable of waiver is (or has become) incapable of satisfaction by the Long Stop Date, in each case in circumstances where the invocation of the relevant Condition is permitted by the Panel; (iv) if the Scheme is not approved at the Court Meeting, the Special Resolution is not passed at the General Meeting or the Court refuses to sanction the Scheme; (v) (other than where Aviva has switched to a Takeover Offer), if the Court Meeting, General Meeting or Court Sanction Hearing are not held on or before the 22nd day after the expected date of such hearing or meeting as set out in this Document; (vi) a break fee has become payable by Aviva; or (vii) unless otherwise agreed by the parties in writing or required by the Panel, the Effective Date has not occurred by the Long Stop Date; and

- on the Effective Date.

Confidentiality Agreement

On 8 December 2024, Aviva and Direct Line entered into a confidentiality agreement (the “**Confidentiality Agreement**”) in connection with the Acquisition, pursuant to which, amongst other things, each of Aviva and Direct Line has undertaken to keep confidential information relating to the other party and/or to the Acquisition and not to disclose it to third parties (with certain exceptions). These confidentiality obligations will remain in force for 24 months from the date of the Confidentiality Agreement, except where expressly provided otherwise in the terms of the Confidentiality Agreement.

The Confidentiality Agreement also contains undertakings from Aviva that, for a period of 12 months from the date of the Confidentiality Agreement, Aviva shall not solicit or endeavour to entice away certain employees of Direct Line or the Direct Line Group.

Clean Team Agreement and Joint Defence Agreement

On 12 December 2024, Aviva and Direct Line entered into a clean team agreement which sets out, among other things, how confidential information that is competitively sensitive can be disclosed, used or shared between Aviva’s clean team individuals and/or external advisers and Direct Line’s clean team individuals and/or external advisers.

On 9 December 2024, Aviva, Direct Line and their respective external counsel entered into a Confidentiality and Joint Defence Agreement, the purpose of which is to ensure that the exchange and/or disclosure of certain materials relating to the parties and in relation to, in particular, the anti-trust and regulatory workstream only takes place between their respective external counsel and external experts, and does not diminish in any way the confidentiality of such materials and does not result in a waiver of any privilege, right or immunity that might otherwise be available.

12. Offer-related fees and expenses

12.1 Fees and Expenses of Aviva

The aggregate fees and expenses expected to be incurred by Aviva in connection with the Acquisition are estimated to be approximately £70.2 million (excluding any applicable VAT and other taxes). This aggregate number consists of the following categories (in each case excluding any applicable VAT and other taxes):

Category	Amount (£m)
Financing arrangements ⁽¹⁾	10.1
Financial and corporate broking advice ⁽²⁾	22.0
Legal advice ⁽³⁾	12.5
Accounting and tax advice	1.9
Public relations advice ⁽⁴⁾	2.0
Other professional services	3.0
Other costs and expenses	18.7
Total	70.2

- (1) Includes Bridge Facility commitment fees as described in paragraph 9.2 of Part VII (*Additional Information on Direct Line and Aviva*) of this Document. Assumes that the Bridge Facility described in paragraph 9.2 of Part VII (*Additional Information on Direct Line and Aviva*) remains undrawn; if drawn, the maximum fees are estimated at £12 million. Certain of these fees and expenses have been converted from US Dollars to the extent applicable into Pounds Sterling.
- (2) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective.
- (3) Certain of these services are provided by reference to hourly or daily rates. The amounts included here reflect the time incurred up to the Latest Practicable Date and an estimate of the further time required until the Acquisition becomes Effective. The total amount payable in respect of certain aspects of these services depends on whether the Acquisition becomes Effective. Amounts do not include disbursements. Certain of these fees and expenses have been converted from US Dollars or Euros, to the extent applicable, into Pounds Sterling.
- (4) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective. This figure makes provision for the payment of a discretionary fee.

Other costs and expenses costs include stamp duty of 0.5 percent on the purchase price of the Direct Line Shares acquired pursuant to the Acquisition and antitrust filing fees.

12.2 Fees and Expenses of Direct Line

The aggregate fees and expenses expected to be incurred by Direct Line in connection with the Acquisition are estimated to be approximately £49.5 million (excluding any applicable VAT and other taxes). This aggregate number consists of the following categories (in each case excluding any applicable VAT and other taxes):

Category	Amount (£m)
Financial and corporate broking advice ⁽¹⁾	34.5
Legal advice ⁽¹⁾⁽²⁾	11.0
Accounting advice	Nil
Public relations advice ⁽²⁾	2.5
Other professional services	1.0
Other costs and expenses	0.5
Total	49.5

- (1) The total amount payable in respect of the aggregate fees and expenses for these services depends on whether the Acquisition becomes Effective. The total amount payable does not include disbursements.
- (2) An element of the total amount payable in respect of the aggregate fees and expenses for these services is discretionary.

13. Persons acting in concert

- 13.1 In addition to the Aviva Directors (together with their close relatives and related trusts), and members of the Aviva Group, the persons who, for the purposes of the Takeover Code, are acting in concert with Aviva are:

Name	Registered Office	Relationship with Aviva
Goldman Sachs International.	Plumtree Court, 25 Shoe Lane, London, EC4A 4AU, United Kingdom	Joint financial adviser and joint corporate broker to Aviva
Citi	Citigroup Centre, Canada Square, Canary Wharf, London, E14 5LB, United Kingdom	Joint financial adviser and joint corporate broker to Aviva

- 13.2 In addition to the Direct Line Directors (together with their close relatives and related trusts) and members of the Direct Line Group, the persons who, for the purposes of the Takeover Code, are acting in concert with Direct Line are:

Name	Address/Registered office	Relationship with Direct Line
Morgan Stanley & Co.	25 Cabot Square, Canary Wharf, London, E14 4QA, United Kingdom	Joint lead financial adviser and joint corporate broker to Direct Line
Robey Warshaw	9 Grosvenor Square, London, W1K 5AE, United Kingdom	Joint lead financial adviser to Direct Line
RBC Capital Markets.	100 Bishopsgate, London, United Kingdom, EC2N 4AA	Joint financial adviser and joint corporate broker to Direct Line

14. No significant change

- 14.1 There has been no significant change in the financial or trading position of Direct Line since 30 September 2024, being the date to which the latest interim financial information published by Direct Line was prepared.
- 14.2 There has been no significant change in the financial or trading position of Aviva since 14 November 2024, being the date to which the latest interim financial information published by Aviva was prepared. This paragraph 14.2 is the responsibility of the Aviva Directors and not the Direct Line Directors.

15. Consent

Each of Morgan Stanley & Co., Robey Warshaw, RBC Capital Markets, Goldman Sachs International and Citi has given and not withdrawn its written consent to the issue of this Document with the inclusion of references to its name in the form and context in which they are included. PwC has consented to the inclusion of its report in Part B of Appendix II (*Aviva Profit Forecasts*) of this Document in the form and context in which it is included.

16. Documents incorporated by reference

- 16.1 Parts of other documents are incorporated by reference into, and form part of, this Document.
- 16.2 Part V (*Financial and Ratings Information*) of this Document sets out which sections of certain documents are incorporated by reference into, and form part of, this Document.
- 16.3 A person who has received this Document may request a hard copy of such documents incorporated by reference. A copy of any such documents or information incorporated by reference will not be sent to such persons unless requested, free of charge, by contacting Direct Line's Registrars, Computershare, either in writing to Computershare, The Pavilions, Bridgwater Road, Bristol BS99 6ZY, United Kingdom, or by calling the Shareholder Helpline on +44 (0)370 873 5880, stating your name and the address to which the hard copy should be sent. Lines are open between 8.30 a.m. and 5.30 p.m. Monday to Friday (except public holidays in England and Wales). Please

use the country code when calling from outside the UK. Calls from outside the UK will be charged at the applicable international rate. Different charges may apply to calls from mobile telephones. Please note that calls may be monitored or recorded and Computershare cannot provide advice on the merits of the Acquisition or the Scheme or give any financial, legal or tax advice.

17. Documents available for inspection

Copies of the following documents will be available for viewing on Direct Line and Aviva's websites at <https://www.directlinegroup.co.uk/en/investors> and <https://www.aviva.com/investors/offer-for-direct-line-insurance-group-plc/> respectively by no later than 12.00 noon (London time) on the Business Day following the date of this Document (subject to any applicable restrictions relating to persons resident in Restricted Jurisdictions):

- (A) this Document;
- (B) the announcement to be released on a Regulatory Information Service in connection with the publication of this Document on the date hereof;
- (C) the Forms of Proxy;
- (D) the 2.7 Announcement (including the reports of PwC and of Goldman Sachs International and Citi on the Quantified Financial Benefits Statement as provided on 23 December 2024);
- (E) the irrevocable undertakings described in paragraph 5 of this Part VII (*Additional Information on Direct Line and Aviva*);
- (F) the Co-operation Agreement;
- (G) the Confidentiality Agreement;
- (H) the Clean Team Agreement;
- (I) the Joint Defence Agreement;
- (J) the material contracts referred to in paragraph 9 of this Part VII (*Additional Information on Direct Line and Aviva*) in connection with the Acquisition;
- (K) the consent letters of PwC and of Goldman Sachs International and Citi on the Aviva 2025 Profit Forecast under Rule 23.2 of the Takeover Code;
- (L) letters from PwC and from Goldman Sachs International and Citi confirming that their reports in connection with the Quantified Financial Benefits Statement (as referred to in Appendix I (*Quantified Financial Benefits Statement*)) continue to apply, as required by Rule 27.2(d) of the Takeover Code;
- (M) the consent letters from each of Morgan Stanley & Co., Robey Warshaw, RBC Capital Markets, Goldman Sachs International and Citi in respect of each of the 2.7 Announcement and (where applicable) this Document;
- (N) the memorandum and articles of association of each of Direct Line and Aviva;
- (O) a draft of the articles of association of Direct Line as proposed to be amended at the General Meeting;
- (P) the unaggregated dealings of Aviva Investors referred to in each of paragraphs 3.2(D) and 3.3(C) above;
- (Q) the unaggregated dealings of Goldman Sachs International referred to in paragraph 3.3(C) above;
- (R) the financial information relating to Direct Line referred to in paragraph 1 of Part V (*Financial and Ratings Information*) of this Document; and
- (S) the financial information relating to Aviva referred to in paragraph 3 of Part V (*Financial and Ratings Information*) of this Document.

18. Sources of information and bases of calculation

In this Document, unless otherwise stated or the context otherwise requires, the following bases and sources have been used:

- (A) As at the Latest Practicable Date, there were 1,311,388,157 Direct Line Shares in issue. The ISIN for Direct Line Shares is GB00BY9D0Y18.
- (B) As at the Latest Practicable Date, there were 2,677,649,489 Aviva Shares in issue. The ISIN for Aviva Shares is GB00BPQY8M80. Aviva has a sponsored ADR programme and one ADR represents two Aviva Shares in issue. The ISIN for the ADRs is US05382A3023.
- (C) Any references to the issued and to the entire diluted issued share capital of 1,329,663,535 Direct Line Shares have been calculated based on:
 - (i) the 1,311,388,157 Direct Line Shares referred to in paragraph 18(A) above; plus
 - (ii) a maximum of 27,487,583 Direct Line Shares which may be issued on the vesting and/or exercise of Awards on or after the date of this Document under the Direct Line Share Plans as at the Latest Practicable Date, less
 - (iii) 9,212,205 Direct Line Shares held by the employee benefit trust operated by Direct Line that can be used to satisfy the vesting and/or exercise of Awards under the Direct Line Share Plans as at the Latest Practicable Date.
- (D) The enlarged share capital of Aviva of 3,058,864,024 Aviva Shares immediately following Completion has been calculated as the sum of:
 - (i) the current share capital of Aviva of 2,677,649,489 Aviva Shares as at the Latest Practicable Date; plus
 - (ii) up to 381,214,535 New Aviva Shares, which may be issued under the terms of the Acquisition (calculated as the entire diluted issued share capital number of the issued and to be issued ordinary share capital of Direct Line as set out in paragraph (C) above) multiplied by the Equity Ratio.

The total number of Aviva Shares following Completion will therefore be up to 3,058,864,024 (excluding any new awards granted by Direct Line between the date of the 2.7 Announcement and Completion).
- (E) The value of the Acquisition, which comprises 0.2867 New Aviva Shares, 129.7 pence in cash, and up to 5 pence (in aggregate) in dividends to be paid (subject to the approval of the Direct Line Board) prior to Completion, is calculated on the basis of the issued and to be issued entire diluted issued share capital of Direct Line (as set out in paragraph 18(C) above).
- (F) Unless otherwise stated, all prices quoted for Direct Line Shares are Closing Prices and are derived from Bloomberg.
- (G) Unless otherwise stated, volume weighted average prices are derived from Bloomberg.
- (H) Certain figures included in this Document have been subject to rounding adjustments.
- (I) Unless otherwise stated, the financial information relating to Direct Line is extracted from the audited consolidated financial statements of Direct Line for the year ended 31 December 2023, prepared in accordance with IFRS.
- (J) Unless otherwise stated, the financial information relating to Aviva is extracted from the audited consolidated financial statements of Aviva for the year ended 31 December 2023, prepared in accordance with IFRS.
- (K) The estimated cost savings and synergy numbers included in this Document are unaudited and reflect the Aviva Directors' view of the potential cost synergies of the Acquisition, taking into account the factors they can influence. Further information underlying the Quantified Financial Benefits Statement contained in this Document is provided in Appendix I (*Quantified Financial Benefits Statement*) of this Document.

PART VIII DEFINITIONS

In this Document, other than in the Scheme set out in Part IV (*The Scheme of Arrangement*) of this Document, the following words and expressions have the following meanings, unless the context requires otherwise:

"2022 Aviva Annual Report"	the annual report and audited accounts of Aviva for the year ended 31 December 2022;
"2023 Aviva Annual Report"	the annual report and audited accounts of Aviva for the year ended 31 December 2023;
"2024 Aviva Half-Year Results"	the unaudited consolidated accounts of Aviva for the six months ended 30 June 2024;
"2022 Direct Line Annual Report"	the annual report and audited accounts of Direct Line for the year ended 31 December 2022;
"2023 Direct Line Annual Report"	the annual report and audited accounts of Direct Line for the year ended 31 December 2023;
"2024 Direct Line Half-Year Results"	the unaudited consolidated accounts of Direct Line for the six months ended 30 June 2024;
"2022 LTIP Awards"	Awards granted under the LTIP in respect of Direct Line's financial year beginning on 1 January 2022;
"2023 LTIP Awards"	Awards granted under the LTIP in respect of Direct Line's financial year beginning on 1 January 2023;
"2024 LTIP Awards"	Awards granted under the LTIP in respect of Direct Line's financial year beginning on 1 January 2024;
"2025 LTIP Awards"	Awards that Direct Line intends to grant in or around March 2025, as described in paragraph 12 of Part II (<i>Explanatory Statement</i>);
"2026 LTIP Awards"	Awards that Direct Line intends to grant in or around March 2026, as described in paragraph 12 of Part II (<i>Explanatory Statement</i>);
"2.7 Announcement"	the joint announcement dated 23 December 2024 made by Aviva and Direct Line pursuant to Rule 2.7 of the Takeover Code which confirmed that they had reached an agreement on the terms of a recommended cash and share offer for the Acquisition of Direct Line by Aviva pursuant to which Aviva will acquire the entire issued and to be issued ordinary share capital of Direct Line;
"Acquisition"	the recommended Acquisition by Aviva of the entire issued and to be issued ordinary share capital of Direct Line not already owned or controlled by the Aviva Group on the terms and subject to the Conditions set out in this Document, to be implemented by means of the Scheme (or by way of a Takeover Offer, where Aviva so elects under certain circumstances described in this Document) and, where the context requires, any subsequent revision, variation, extension or renewal thereof;
"Admission"	the admission of the New Aviva Shares by the FCA to the Official List and to trading on the London Stock Exchange's main market for listed securities;
"Articles of Association"	the articles of association of Direct Line from time to time;
"associated undertaking"	has the meaning given to it in the Companies Act;
"Authorisations"	regulatory authorisations, orders, determinations, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions, exemptions or approvals;

“Aviva”	Aviva plc, a public limited company incorporated under the laws of England and Wales with registered number 02468686;
“Aviva 2025 Profit Forecast”	has the meaning given to it in paragraph 10 of Part I (<i>Letter from the Chair of Direct Line</i>) of this Document;
“Aviva 2026 Profit Forecast”	has the meaning given to it in paragraph 10 of Part I (<i>Letter from the Chair of Direct Line</i>) of this Document;
“Aviva FY24 Final Dividend”	any final dividend declared by Aviva in respect of the financial year ending on 31 December 2024;
“Aviva FY25 Final Dividend”	any final dividend declared by Aviva in respect of the financial year ending on 31 December 2025, provided that the record date for such dividend is no earlier than 1 April 2026;
“Aviva FY25 Interim Dividend”	any interim dividend declared by Aviva in respect of the six-month period ending on 30 June 2025, provided that the record date for such dividend is no earlier than 20 August 2025;
“Aviva FY26 Interim Dividend”	any interim dividend declared by Aviva in respect of the six-month period ending on 30 June 2026, provided that the record date for such dividend is no earlier than 20 August 2026;
“Aviva Directors” or “Aviva Board”	the directors of Aviva, whose names are set out in paragraph 2.2 of Part VII (<i>Additional Information on Direct Line and Aviva</i>) of this Document and “Aviva Director” means any of them;
“Aviva Dividend Policy”	the dividend policy announced by Aviva alongside its FY23 results on 7 March 2024;
“Aviva Group”	Aviva and its subsidiary undertakings and where the context permits, each of them;
“Aviva Investors”	Aviva Investors Holdings Limited;
“Aviva Permitted Dividend”	any Aviva FY24 Final Dividend, Aviva FY25 Interim Dividend, Aviva FY25 Final Dividend and/or Aviva FY26 Interim Dividend, provided in each case that such dividend is declared in accordance with the Aviva Dividend Policy;
“Aviva Shareholders”	the holders of Aviva Shares;
“Aviva Share Plans”	means the Aviva Annual Bonus Plan and the Aviva Long Term Incentive Plan;
“Aviva Shares”	the existing ordinary shares of 32 ¹⁷ / ₁₉ pence each in the capital of Aviva;
“Awards”	awards and options over Direct Line Shares under the Direct Line Share Plans;
“Bridge Facility”	has the meaning given to it in paragraph 9.2 of Part VII (<i>Additional Information on Direct Line and Aviva</i>) of this Document;
“Bridge Facility Agreement”	has the meaning given to it in paragraph 9.2 of Part VII (<i>Additional Information on Direct Line and Aviva</i>) of this Document;
“Business Day”	any day (other than Saturdays, Sundays and public holidays in the UK) on which banks are open for business in the City of London;
“Buyout Awards”	any Awards granted or to be granted by Direct line to a Direct Line Employee in connection with their recruitment to compensate for forfeited awards granted to the Direct Line Employee by their former employer;
“certificated” or “in certificated form”	a share or other security which is not in uncertificated form (that is, not in CREST);
“Citi”	Citigroup Global Markets Limited;

“Clean Team Agreement”	the clean team agreement between Aviva and Direct Line dated 12 December 2024, as described in paragraph 11 of Part VII (<i>Additional Information on Direct Line and Aviva</i>) of this Document;
“Closing Price”	the closing middle market price of a Direct Line Share or Aviva Share (as applicable) on a particular trading day as derived from Bloomberg;
“CMA”	the Competition and Markets Authority;
“Combined Group”	the enlarged group following Completion comprising the Aviva Group and the Direct Line Group;
“Companies Act”	the Companies Act 2006 (as amended from time to time);
“Completion”	the Acquisition becoming Effective in accordance with its terms;
“Conditions”	the conditions to the implementation of the Scheme and to the implementation of the Acquisition which are set out in Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of this Document;
“Confidentiality Agreement”	the confidentiality agreement between Aviva and Direct Line dated 8 December 2024, as described in paragraph 11 of Part VII (<i>Additional Information on Direct Line and Aviva</i>) of this Document;
“Co-operation Agreement”	the co-operation agreement entered into between Aviva and Direct Line dated 23 December 2024, relating to, among other things, implementation of the Acquisition, as described in paragraph 11 of Part VII (<i>Additional Information on Direct Line and Aviva</i>) of this Document;
“Court”	the High Court of Justice in England and Wales;
“Court Meeting”	the meeting of Scheme Shareholders to be convened pursuant to an order of the Court under Part 26 of the Companies Act, notice of which is set out in Part IX (<i>Notice of Court Meeting</i>) of this Document, for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment thereof;
“Court Order”	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act;
“Court Sanction Date”	the date on which the Scheme is sanctioned by the Court;
“Court Sanction Hearing”	the hearing of the Court of the application to sanction the Scheme under Part 26 of the Companies Act, including any adjournment thereof;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the CREST Regulations;
“CREST Applications Host”	the communication hosting system operated by Euroclear;
“CREST Manual”	the CREST Manual published by Euroclear, as amended from time to time in accordance with the CREST Regulations;
“CREST Proxy Instruction”	has the meaning given to it in on page 13 (<i>Action to be Taken</i>);
“CREST Regulations”	the Uncertificated Securities Regulations 2001 (SI 2001/3755) (including as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2019), as amended from time to time (including by means of the Uncertificated Securities (amendment and EU Exit) Regulations 2019 (SI 2019/679));
“D”	the date of the Court Sanction Hearing, expected to be in mid-2025, subject to the satisfaction (or, if applicable, waiver) of the relevant Conditions and, in any event, prior to the Long Stop Date;

“DAIP”	the Direct Line Deferred Annual Incentive Plan, as amended from time to time;
“Dealing Disclosure”	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in interests in relevant securities of a party to an offer;
“Direct Line”	Direct Line Insurance Group plc, a public limited company incorporated in England and Wales with registered number 02280426;
“Direct Line Directors” or “Direct Line Board”	the directors of Direct Line, whose names are set out in paragraph 2.1 of Part VII (<i>Additional Information on Direct Line and Aviva</i>) of this Document and “Aviva Director” means any of them;
“Direct Line Dividend Policy”	the dividend policy announced by Direct Line at its Capital Markets Day on 10 July 2024;
“Direct Line Employees”	the employees of any member of Direct Line Group from time to time, including for the avoidance of doubt individuals who become employees of any member of the Direct Line Group after the date of this Document;
“Direct Line Executive Directors”	Adam Winslow and Jane Poole;
“Direct Line Group”	Direct Line and its subsidiary undertakings and where the context permits, each of them;
“Direct Line Non-Executive Directors”	the Direct Line Directors, other than Adam Winslow and Jane Poole;
“Direct Line Permitted Dividends”	the dividends permitted to be announced, declared or paid by Direct Line prior to the Effective Date without any consequential change to the Offer Consideration pursuant to sub-clause 2(D) of the Scheme;
“Direct Line Remuneration Committee”	means the remuneration committee of the Direct Line Board;
“Direct Line Share Plans”	the LTIP, the RSP, Buyout Awards, the DAIP, and the SIP (in each case as amended from time to time);
“Direct Line Shareholders”	the holders of Direct Line Shares;
“Direct Line Shares”	the existing unconditionally allotted or issued and fully paid ordinary shares of 10 ¹⁰ / ₁₁ pence each in the capital of Direct Line and any further such ordinary shares which are unconditionally allotted or issued;
“Disclosed”	the information: (i) disclosed by, or on behalf of Direct Line; (ii) in the 2023 Direct Line Annual Report; (iii) in 2024 Direct Line Half-Year Results; (iv) in the 2.7 Announcement; (v) in any other announcement to a Regulatory Information Service by, or on behalf of Direct Line in the two years before the publication of the 2.7 Announcement; (vi) in the virtual data room operated on behalf of Direct Line for the purposes of the Acquisition (which Aviva and/or its advisers were able to access prior to the date of the 2.7 Announcement); (vii) in any filings made by Direct Line with the Registrar of Companies in England in the last three years; or (viii) as otherwise fairly disclosed to Aviva (or its officers, employees, agents or advisers in each case in their capacity as such) before the date of the 2.7 Announcement;
“Document”	this document dated 10 February 2025 addressed to Direct Line Shareholders containing the Scheme and an explanatory statement in compliance with section 897 of the Companies Act;

“Effective Date”	the date on which either: (i) the Scheme becomes effective in accordance with its terms; or (ii) (if Aviva elects to implement the Acquisition by way of a Takeover Offer, subject to Panel consent and the terms of the Co-operation Agreement), the date on which such Takeover Offer becomes or is declared unconditional in accordance with the requirements of the Takeover Code, and “Effective” shall be construed accordingly;
“Equity Ratio”	0.2867, or such other number of Aviva Shares that comprise the equity component of the Offer Consideration (per Direct Line Share) at the Effective Date in accordance with the terms of the Acquisition;
“Euroclear”	Euroclear UK & International Limited;
“Euros”	euros, the lawful currency of the member states of the Eurozone from time to time;
“Excluded Shares”	(i) any Direct Line Shares of which Aviva or any member of the Aviva Group is the holder or in which Aviva or any member of the Aviva Group is beneficially interested at the Scheme Record Time (other than in connection with ordinary course asset management activities of the Aviva Group); or (ii) any Direct Line Shares which are for the time being held by Direct Line as treasury shares (within the meaning of the Companies Act);
“Existing Lender”	has the meaning given to it in paragraph 9.2 of Part VII (<i>Additional Information on Direct Line and Aviva</i>) of this Document;
“Expected Timetable of Principal Events”	the expected timetable of events, as set out at pages 15 to 16;
“Explanatory Statement”	the explanatory statement (in compliance with section 897 of the Companies Act) relating to the Scheme, as set out in this Document;
“FCA”	the Financial Conduct Authority or any successor regulatory body;
“Form(s) of Proxy”	each of the BLUE Form of Proxy in connection with the Court Meeting and the WHITE Form of Proxy in relation to the General Meeting (or both, as the context requires);
“FSMA”	the Financial Services and Markets Act 2000 (as amended from time to time);
“FY2023”	the financial year ended 31 December 2023;
“General Meeting”	the general meeting of Direct Line Shareholders, convened by the notice set out in Part X (<i>Notice of General Meeting</i>) of this Document, including any adjournment, postponement or reconvening thereof, to consider and, if thought fit, pass the Special Resolution;
“gone away”	registered with an address from which three or more communications have been returned undelivered;
“HMRC”	HM Revenue and Customs or its successor from time to time;
“holder”	a registered holder and includes any person(s) entitled by transmission;
“IFRS”	International Financial Reporting Standards as adopted by the UK;
“ISIN”	International Securities Identification Number;
“Joint Defence Agreement”	the joint defence agreement between Aviva and Direct Line dated 9 December 2024 as described in paragraph 11 of Part VII (<i>Additional Information on Direct Line and Aviva</i>) of this Document;

"Latest Practicable Date"	close of business on 5 February 2025, being the latest practicable date before publication of this Document;
"Lenders"	has the meaning given to it in paragraph 9.2 of Part VII (<i>Additional Information on Direct Line and Aviva</i>) of this Document;
"listing conditions"	has the meaning given to it in Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of this Document;
"Listing Rules"	the listing rules made by the FCA under Part VI of FSMA and contained in the publication of the same name, as amended from time to time or (as applicable) any set of rules and regulations replacing the same from time to time;
"London Stock Exchange"	the London Stock Exchange plc;
"Long Stop Date"	11.59 p.m. on 31 December 2025, or in the event that there is a Phase 2 CMA Reference and the Condition set out in paragraph 3(c)(i) of Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>) of this Document is not waived or invoked by Aviva, 27 October 2026, or, in either case, such later time or date, if any, (a) as Direct Line and Aviva may agree in writing, or (b) (in a competitive situation) as may be specified by Aviva with the consent of the Panel, and in each case that (if so required) the Court may allow;
"LSA"	the Legal Services Act 2007 (as amended from time to time);
"LTIP"	the Direct Line Long-Term Incentive Plan, as amended from time to time;
"Main Market"	the main market of the London Stock Exchange;
"Meeting(s)"	each of the Court Meeting and the General Meeting (or both, as the context requires);
"Morgan Stanley & Co."	Morgan Stanley & Co. International plc;
"New Aviva Share"	Aviva's ordinary shares of 32 ¹⁷ / ₁₉ pence each proposed to be issued credited as fully paid pursuant to the Acquisition;
"Nominated Person"	has the meaning given to it in each of Part IX (<i>Notice of Court Meeting</i>) and Part X (<i>Notice of General Meeting</i>) of this Document (as the context requires);
"Offer Consideration"	the consideration payable to Scheme Shareholders (as appearing on the Register as at the Scheme Record Time) under the terms of the Scheme, comprising, for each Direct Line Share held: (i) 0.2867 New Aviva Shares; and (ii) 129.7 pence in cash (the "cash element" of the Offer Consideration);
"Offer Period"	the offer period (as defined by the Takeover Code) relating to Direct Line, which commenced on 27 November 2024;
"Official List"	the official list maintained by the FCA pursuant to Part 6 of FSMA;
"Opening Position Disclosure"	has the same meaning as in Rule 8 of the Takeover Code;
"Overseas Shareholders"	Direct Line Shareholders (or nominees of, or custodians or trustees for Direct Line Shareholders) not resident in, or nationals or citizens of the United Kingdom;
"Panel"	the Panel on Takeovers and Mergers;
"Part VII Transfer"	an insurance business transfer scheme under Part VII of FSMA;

“Permitted Buyback”	the repurchase of Aviva Shares by Aviva pursuant to a Permitted Buyback Programme;
“Permitted Buyback Programme”	an ordinary course on-market share buyback programme;
“Phase 2 CMA Reference”	has the meaning given to it in paragraph 3(c)(i) of Part III (<i>Conditions to the Implementation of the Scheme and to the Acquisition</i>);
“PRA”	the Prudential Regulation Authority or any successor regulatory body;
“PwC”	PricewaterhouseCoopers LLP;
“Quantified Financial Benefits Statement”	the statements of estimated cost savings and synergies arising out of the Acquisition set out in Appendix I (<i>Quantified Financial Benefits Statement</i>) of this Document;
“RBC Capital Markets”	RBC Europe Limited;
“Register”	the register of members of Direct Line;
“Registrars” or “Computershare”	Computershare Investor Services PLC;
“Registrar of Companies”	the Registrar of Companies in England and Wales;
“Regulatory Information Service”	any information service authorised from time to time by the FCA for the purpose of disseminating regulatory announcements;
“Restricted Jurisdiction”	any jurisdiction (other than the United Kingdom) into which making the Acquisition, distributing information relating to the Acquisition, or paying consideration pursuant to the Acquisition may result in a significant risk of civil, regulatory or criminal exposure or would or may require Aviva to comply with any requirements which in its absolute discretion is regarded as unduly onerous;
“Restricted Shareholder”	has the meaning given to it in sub-clause 5(A) of Part IV (<i>The Scheme of Arrangement</i>);
“Robey Warshaw”	Robey Warshaw LLP;
“RSP”	the Direct Line Restricted Shares Plan, as amended from time to time;
“Run-off Partnerships”	the Rescue partnership with NatWest Group that expired in December 2022 and Travel partnerships with NatWest Group and Nationwide Building Society which expired in the first half of 2024;
“Scheme” or “Scheme of Arrangement”	the proposed scheme of arrangement under Part 26 of the Companies Act between Direct Line and Scheme Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Direct Line and Aviva;
“Scheme Record Time”	6.00 p.m. on the date of the Court Sanction Hearing;
“Scheme Shareholders”	a holder of Scheme Shares;
“Scheme Shares”	all Direct Line Shares: <ul style="list-style-type: none"> (i) in issue at the date of this Document and which remain in issue at the Scheme Record Time; (ii) (if any) issued after the date of this Document and before the Voting Record Time, which remain in issue at the Scheme Record Time; and (iii) (if any) issued at or after the Voting Record Time but on or before the Scheme Record Time either on terms that the original or any subsequent holders thereof shall be bound by the Scheme or in respect of which the original or any subsequent holders thereof are, or shall have agreed in

	writing to be, so bound, and in each case which remain in issue at the Scheme Record Time,
	in each case other than any Excluded Shares;
“Shareholder Helpline”	the helpline set up by Computershare, further details of which are provided in paragraph 20 of Part II (<i>Explanatory Statement</i>) of this Document;
“SIP”	the Direct Line Share Incentive Plan, as amended from time to time;
“Special Resolution”	the special resolution to be proposed at the General Meeting necessary to facilitate the implementation of the Scheme, including, without limitation, the amendment of the Articles of Association by the adoption and inclusion of a new article under which any Direct Line Shares issued or transferred after the Scheme Record Time (other than to Aviva and/or its nominee(s)) shall be automatically transferred to Aviva (or as it may direct) (and, where applicable, for consideration to be paid to the transferee or to the original recipient of the Direct Line Shares so transferred or issued) on the same terms as the Acquisition (other than terms as to timings and formalities) and as set out in full in Part X (<i>Notice of General Meeting</i>) of this Document;
“SRA”	the Solicitors Regulation Authority, or any successor regulatory body;
“subsidiary”, “subsidiary undertaking” and “undertaking”	have the meanings given to them in the Companies Act;
“Synthetic Warrants”	synthetic warrants issued by Merrill Lynch B.V. and HSBC Bank plc to allow one of Aviva’s subsidiaries to gain exposure to Aviva’s share price, over which Aviva has no voting authority;
“Takeover Code”	the City Code on Takeovers and Mergers (as amended from time to time);
“Takeover Offer”	subject to the consent of the Panel and the terms of the Co-operation Agreement, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Aviva to acquire the entire issued and to be issued share capital of Direct Line, other than Direct Line Shares owned or controlled by the Aviva Group and, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
“TCGA”	Taxation of Chargeable Gains Act 1992;
“Third Party”	each of a central bank, state, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, professional, fiscal or investigative body, court, trade agency, association, institution, body, employee representative body, any entity owned or controlled by any government or state, or any other body or person whatsoever in any jurisdiction;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“UK Holders”	has the meaning given to it in Part VI (<i>United Kingdom Taxation</i>) of this Document;
“uncertificated” or “in uncertificated form”	a share or other security, title to which is recorded in the relevant register of the share or security as being held in uncertificated form in CREST and title to which, by virtue of the CREST Regulations, may be transferred by means of CREST;

“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America, the District of Columbia, and all other areas subject to its jurisdiction and any political sub-division thereof;
“US Dollars” or “USD”	US dollars, the lawful currency for the time being of the United States;
“US Exchange Act”	the US Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;
“US Securities Act”	the US Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder;
“Voting Record Time”	6.00 p.m. on the day which is two Business Days prior to the date of the Court Meeting and the General Meeting or, if the Court Meeting and/or the General Meeting is adjourned, 6.00 p.m. on the day which is two Business Days before the date of such adjourned Meeting;
“Wider Aviva Group”	Aviva Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Aviva and all such undertakings (aggregating their interests) have a direct or indirect interest of more than 20 percent of the voting or equity capital or the equivalent;
“Wider Direct Line Group”	Direct Line and associated undertakings and any other body corporate, partnership, joint venture or person in which Direct Line and all such undertakings (aggregating their interests) have a direct or indirect interest of more than 20 percent of the voting or equity capital or the equivalent; and
“£” or “Sterling” or “Pounds Sterling”	pounds sterling, the lawful currency for the time being of the UK and references to “pence” and “p” shall be construed accordingly.

For the purposes of this Document:

- all references to statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom;
- references to the singular include the plural and vice versa; and
- all times referred to are London time unless otherwise stated.

**PART IX
NOTICE OF COURT MEETING**

IN THE HIGH COURT OF JUSTICE

CR-2025-000043

**BUSINESS AND PROPERTY COURTS OF ENGLAND AND WALES
COMPANIES COURT (ChD)**

IN THE MATTER OF DIRECT LINE INSURANCE GROUP PLC

and

IN THE MATTER OF THE COMPANIES ACT 2006

NOTICE IS HEREBY GIVEN that, by an order dated 7 February 2025 made in the above matters, the Court has given permission for a meeting (the “**Court Meeting**”) to be convened of the holders of Scheme Shares as at the Voting Record Time (each as defined in the Scheme (defined below)) for the purpose of considering and, if thought fit, approving (with or without modification) a scheme of arrangement proposed to be made pursuant to Part 26 of the Companies Act 2006 (the “**Act**”) between Direct Line Insurance Group plc (the “**Company**”) and the holders of Scheme Shares (the “**Scheme**”) and that such meeting will be held at Riverbank House, 2 Swan Lane, London, EC4R 3AD at 11.00 a.m. (London time) on 10 March 2025 at which place and time all holders of Scheme Shares are requested to attend.

Unless the context requires otherwise, any capitalised term used but not defined in this Notice of Court Meeting shall have the meaning given to such term in the Document of which this Notice of Court Meeting forms part.

A copy of the Scheme and a copy of the explanatory statement required to be published pursuant to section 897 of the Act are incorporated in the Document of which this Notice of Court Meeting forms part.

Voting on the resolution to approve the Scheme of Arrangement will be by way of poll, which shall be conducted as the Chair of the Court Meeting may determine.

Holders of Scheme Shares may vote in person at the meeting or they may appoint another person, whether a member of the Company or not, as their proxy to attend, speak and vote in their stead at the Court Meeting. A proxy need not be a member of the Company but must attend the Court Meeting. A holder of Scheme Shares may appoint more than one proxy in relation to the Court Meeting, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that holder. A BLUE Form of Proxy for use at the Court Meeting is enclosed with this Notice of Court Meeting. Holders of Scheme Shares held through CREST may also appoint a proxy or proxies using CREST by following the instructions set out on pages 11 to 14 and 45 to 47 of the document of which this Notice of Court Meeting forms part. Completion and return of a BLUE Form of Proxy, or the appointment of proxies through CREST, electronically via www.investorcentre.co.uk/eproxy or the Proximity platform (for institutional investors only), will not preclude a holder of Scheme Shares from attending and voting in person at the Court Meeting, or any adjournment thereof.

It is requested that BLUE Forms of Proxy (together with any power of attorney or other authority under which they are signed) be returned to the Company’s Registrars, Computershare, at The Pavilions, Bridgwater Road, Bristol BS99 6ZY by post, courier or hand (or in accordance with the instructions printed on the BLUE Form of Proxy enclosed with this Notice of Court Meeting) so as to be received by Computershare not later than 11.00 a.m. on 6 March 2025, or, if the Court Meeting is adjourned, not less than 48 hours before the time of such adjourned meeting (excluding any part of such 48 hour period falling on a non-working day) but, if BLUE Forms of Proxy are not so returned, they may be presented in person to the Company’s Registrars, Computershare, or to the Chair of the meeting at any time before the commencement of the Court Meeting (or any adjournment thereof).

As an alternative to appointing a proxy, any Scheme Shareholder which is a corporation may appoint one or more corporate representatives who may exercise on its behalf, all its powers as a member provided that no more than one corporate representative exercises power over the same share. Only one corporate representative is to be counted in determining whether under section 899(1) of the Act a majority in

number of the Scheme Shareholders approved the Scheme. The Chair of the Court Meeting may require a corporate representative to produce to Computershare his/her written authority to attend and vote at the Court Meeting at any time before the start of the Court Meeting. The representative shall not be entitled to exercise the powers conferred on them by the Scheme Shareholder until any such demand has been satisfied.

In the case of joint holders of Scheme Shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other joint holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding (the first being the most senior). If you are an institutional investor, Forms of Proxy may alternatively be submitted electronically via the Proxymity platform by visiting www.proxymity.io. For an electronic proxy appointment to be valid, the appointment must be lodged no later than 11.00 a.m. on 6 March 2025.

Entitlement to attend and vote at the Court Meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company at 6.00 p.m. on 6 March 2025 or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two Business Days before the day of such adjourned meeting (excluding any part of such 48 hour period falling on a non-working day). In each case, changes to the register of members of the Company after such time shall be disregarded for these purposes.

By the said Order, the Court has appointed Danuta Gray, or failing her, any director of the Company to act as Chair of the Court Meeting and has directed the Chair to report the result of the Court Meeting to the Court.

The Scheme of Arrangement will be subject to the subsequent sanction of the Court.

Dated 10 February 2025

Slaughter and May
One Bunhill Row
London EC1Y 8YY

Solicitors for the Company

Notes:

1. Any person to whom this notice is sent who is nominated under section 146 of the Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the member by whom he/she was nominated have a right to be appointed (or to have someone else appointed) as a proxy for the Court Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
2. The statement of rights of Scheme Shareholders in relation to the appointment of proxies described in this Notice of Court Meeting does not apply to Nominated Persons. Such rights can only be exercised by Scheme Shareholders.

PART X
NOTICE OF GENERAL MEETING

Direct Line Insurance Group plc

(Registered in England and Wales with registered number 02280426)

Notice is hereby given that a General Meeting of Direct Line Insurance Group plc (the “**Company**”) shall be held at Riverbank House, 2 Swan Lane, London, EC4R 3AD at 11.15 a.m. (London time) on 10 March 2025 (or as soon thereafter as the Court Meeting (as defined in Part VIII (*Definitions*) of the Document of which this Notice of General Meeting forms part) convened by an order of the High Court of Justice in England and Wales for the same place and date concludes or is adjourned) for the purpose of considering and, if thought fit, passing the following resolution, which shall be proposed as a special resolution.

Unless the context requires otherwise, any capitalised term used but not defined in this Notice of General Meeting shall have the meaning given to such term in the Document of which this Notice of General Meeting forms part.

SPECIAL RESOLUTION

THAT:

- (A) for the purpose of giving effect to the scheme of arrangement dated 10 February 2025 (as may be amended or supplemented) (the “**Scheme**”) between the Company and the holders of Scheme Shares (as defined in the Scheme), a copy of which has been produced to this General Meeting and, for the purposes of identification, signed by the Chair of this meeting, in its original form or with or subject to any modification, addition, or condition as may be agreed between the Company and Aviva plc and approved or imposed by the High Court of Justice in England and Wales (the “**Court**”) and agreed by the Company and Aviva plc,
- (i) the Scheme be and is hereby approved and the directors of the Company (or a duly authorised committee thereof) be authorised to take all such action as they may consider necessary or appropriate for carrying the Scheme into effect; and
 - (ii) with effect from the passing of this resolution, the Articles of Association of the Company be and are hereby amended by the adoption and inclusion of the following new Article 133:

“133. Scheme of Arrangement

- (a) In this article, references to the “**Scheme**” are to the scheme of arrangement under Part 26 of the Companies Act 2006 between the Company and the holders of Scheme Shares (as defined in the Scheme) dated 10 February 2025 (with or subject to any modification, addition or condition approved or imposed by the Court and agreed by the Company and Aviva plc (“**Aviva**”)) and (save as defined in this article) terms defined in the Scheme shall have the same meanings in this article.
- (b) Notwithstanding any other provision of these articles or the terms of any resolution whether ordinary or special passed by the Company in general meeting, if the Company issues or transfers any Direct Line Shares (other than to Aviva, or any subsidiary of Aviva, or any nominee(s) of Aviva (each an “**Aviva Company**”)) on or after the date of the adoption of this article and prior to the Scheme Record Time (as defined in the Scheme), such Direct Line Shares will be issued or transferred subject to the terms of the Scheme (and shall be Scheme Shares for the purposes thereof) and the original or subsequent holder or holders of such Direct Line Shares shall be bound by the Scheme accordingly.
- (c) Notwithstanding any other provision of these articles and, subject to the Scheme becoming Effective, any shares issued or transferred out of treasury to any person at or after the Scheme Record Time (other than under the Scheme or to an Aviva Company) (a “**New Member**”) (each a “**Post-Scheme Share**”), shall be issued or transferred on terms that they shall (on the Effective Date (as defined in the Scheme) or, if later, on issue or transfer (but subject to the terms of this paragraph (c) and paragraph (e) below)) be immediately transferred to Aviva in consideration of and conditional on the payment to the New Member of the same consideration, consisting of a

combination of cash and New Aviva Shares (the “**Consideration Shares**”), for each Post-Scheme Share which such New Member would have been entitled to receive had such Post-Scheme Share been a Scheme Share (including, without limitation, in relation to any fractional entitlements in respect of Consideration Shares as reflected in paragraph (f) below) (the “**Relevant Consideration**”), provided that:

- (i) if, in respect of any New Member that would have been a Restricted Shareholder had such New Member been on the Register at the Scheme Record Time, the Company may, in its sole discretion:
 - (A) determine that such Consideration Shares shall not be allotted and/or issued to the New Member but shall instead be allotted and issued to a person appointed by the Company to hold such shares on terms that such person shall, as soon as practicable following the Effective Date, sell the Consideration Shares so allotted and issued at the best price which can reasonably be obtained at the time of sale and account for the net proceeds of such sale (after the deduction of all reasonable expenses and commissions incurred in connection with such sale) by sending a cheque or creating an assured payment obligation in accordance with the provisions of the Scheme (as applicable); or
 - (B) determine that such Consideration Shares shall be sold, in which event the Consideration Shares shall be allotted and/or issued to such holder and the Company shall appoint a person to act pursuant to this paragraph(c)(i)(B) and such person shall be authorised on behalf of such holder to procure that any shares in respect of which Aviva has made such determination shall as soon as practicable following the Effective Date be sold at the best price which can reasonably be obtained at the time of sale and the net proceeds of such sale (after the deduction of all reasonable expenses and commissions incurred in connection with such sale) shall be paid to such holder by sending a cheque or creating an assured payment obligation in accordance with the provisions of the Scheme (as applicable).

In the absence of bad faith, none of Direct Line, Aviva or the person so appointed shall have any liability for any loss or damage arising as a result of the timing or terms of any such sale.

- (ii) any New Member may, before the issue or transfer of any Post-Scheme Shares to such New Member pursuant to the exercise of an option or satisfaction of an award under any of the Company’s share plans, give not less than five working days’ written notice to the Company in such manner as the board shall prescribe of their intention to transfer some or all of the Post-Scheme Shares to their spouse or civil partner. Any such New Member may, if such notice has been validly given, on such Post-Scheme Shares being issued or transferred to such New Member, immediately transfer to their spouse or civil partner any such Post-Scheme Shares, provided that such Post-Scheme Shares shall then be immediately transferred from that spouse or civil partner to Aviva pursuant to this article as if the spouse or civil partner were a New Member. Where a transfer of Post-Scheme Shares to a New Member’s spouse or civil partner takes place in accordance with this article, references to the “New Member” in this article shall be taken as referring to the spouse or civil partner of the New Member.

If notice has been validly given pursuant to this article but the New Member does not immediately transfer to their spouse or civil partner the Post-Scheme Shares in respect of which notice was given, such shares shall be transferred directly to Aviva pursuant to this article.

- (d) The Consideration Shares allotted and issued or transferred to a New Member (or nominee) pursuant to paragraph (c) above shall be credited as fully paid and shall rank equally in all respects with all other fully paid ordinary shares in the capital of Aviva in issue at that time (other than as regards any dividend or other distribution payable by reference to a record date preceding the date of allotment or transfer) and shall be subject to the articles of association of Aviva from time to time.

- (e) On any reorganisation of, or material alteration to, the share capital of either the Company or Aviva (including, without limitation, any subdivision and/or consolidation) effected after the Effective Date, the value of the consideration per Post-Scheme Share to be paid under paragraph (c) above shall be adjusted by the Company in such manner as the auditors of the Company may determine to be appropriate to reflect such reorganisation or material alteration. References in this article to “ordinary shares”, “Direct Line Shares” and/or “New Aviva Shares” shall, following such adjustment, be construed accordingly.
- (f) No fraction of a Consideration Share shall be allotted, issued or transferred to a New Member (or nominee) pursuant to this article. Any fraction of a Consideration Share to which a New Member would otherwise have become entitled shall be aggregated with the fractional entitlements of any other New Members whose shares are being transferred under this article on the same date and the maximum whole number of Consideration Shares resulting therefrom shall be allotted and issued to a person appointed by Aviva. Such Consideration Shares shall then be sold in the market as soon as practicable after their allotment and issue, and the net proceeds of sale (after the deduction of all expenses and commissions incurred in connection with such sale, including any value added tax payable on the proceeds of sale) shall be paid in sterling to the persons entitled thereto in due proportions (rounded down to the nearest penny), except that individual entitlements to amounts of £5.00 or less shall be retained for the benefit of Aviva.
- (g) To give effect to any transfer of Post-Scheme Shares, the Company may appoint any person as attorney or agent for the New Member to transfer the Post-Scheme Shares to Aviva and do all such other things and execute and deliver all such documents (whether as a deed or otherwise) as may in the opinion of the attorney or agent be necessary or desirable to vest the Post-Scheme Shares in Aviva and, pending such vesting, to exercise all such rights attaching to the Post-Scheme Shares as Aviva may direct. If an attorney or agent is so appointed, the New Member shall not thereafter (except to the extent that the attorney or agent fails to act in accordance with the directions of Aviva) be entitled to exercise any rights attaching to the Post-Scheme Shares unless so agreed by Aviva. The attorney or agent shall be empowered to execute and deliver as transferor a form or forms of transfer or other instrument or instruction of transfer (whether as a deed or otherwise) on behalf of the New Member in favour of Aviva and the Company may give a good receipt for the consideration for the Post-Scheme Shares and may register Aviva as holder thereof and issue to it certificates for the same. The Company shall not be obliged to issue a certificate to the New Member for the Post-Scheme Shares. Aviva shall, no later than 14 days after the date of the issue or transfer of the Post-Scheme Shares to the New Member in accordance with paragraph (c) above: (i) pay (or procure the payment of) the cash element of the Relevant Consideration to the New Member in the manner in which such New Member would have been entitled to receive the cash element of the Relevant Consideration had such Post-Scheme Shares been Scheme Shares; and (ii) allot and issue or transfer the Consideration Shares to the New Member and pay (or procure the payment of) the amount due to the New Member in respect of any fractional entitlements in the manner in which such New Member would have been entitled to receive the consideration for such fractional entitlements had such Post-Scheme Shares been Scheme Shares, in each case, unless, in respect of any New Member with a registered address in a jurisdiction outside the United Kingdom or whom the Company reasonably believes to be a citizen, resident or national of a jurisdiction outside the United Kingdom, the Company, in its sole discretion, determines in accordance with paragraph (c)(i) that: (a) such Consideration Shares shall be sold, in which case the Consideration Shares shall be sold and the net proceeds of sale distributed to the persons so entitled in accordance with paragraph (c)(i); or (b) a cash amount equal to the value of the Consideration Shares shall be paid to the New Member, in the manner in which such New Member would have been entitled to receive such amounts had such Post-Scheme Shares been Scheme Shares.
- (h) Notwithstanding any other provision of these articles, neither the Company nor the directors shall register the transfer of any Scheme Shares between the Scheme Record Time and the Effective Date.

- (i) If the Scheme shall not have become effective by the date referred to in sub-clause 8(B) of Part IV (*The Scheme of Arrangement*) of the Scheme (or such later date if any, as may be agreed in writing by the Company and Aviva (with the Panel's consent and as the Court may allow (if such approval(s) are required)), this article shall be of no effect."

10 February 2025

By Order of the Board

Roger Clifton
Company Secretary

Registered Office: Churchill Court
Westmoreland Road
Bromley
BR1 1DP

Registered in England and Wales

Notes:

1. In order for the Special Resolution above to be passed, it must be approved by not less than 75 percent of the votes cast by those entitled to vote (in person or by proxy).
2. Direct Line Shareholders are entitled to appoint a proxy to exercise any of their rights to attend and to speak and vote on their behalf at the General Meeting. A proxy need not be a member of the Company. A Direct Line Shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is entitled to exercise the rights attached to a different share or shares held by that shareholder.
3. A WHITE Form of Proxy is enclosed for use at this General Meeting. To be valid, completed forms of proxy or other instrument appointing a proxy and any power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power or authority must be received at the offices of the Company's Registrars, Computershare, The Pavilions, Bridgwater Road, Bristol BS99 6ZY not later than 11.15 a.m. on 6 March 2025, or if the General Meeting is adjourned, at least 48 hours before the start of the adjourned meeting (excluding any part of such 48 hour period falling on a non-working day). Direct Line Shareholders with Direct Line Shares held through CREST may also appoint a proxy or proxies using CREST by following the instructions set out on pages 11 to 14 and 45 to 47 of this Document.
4. The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction will not prevent a holder of Direct Line Shares from attending and voting in person at the General Meeting (or any adjournment thereof) if he/she wishes to do so. Direct Line Shareholders must inform the Company's Registrars, Computershare, in writing of any termination of the authority of a proxy.
5. Any person to whom this Notice of General Meeting is sent who is nominated under section 146 of the Companies Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the Direct Line Shareholder by whom he/she was nominated have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the member as to the exercise of voting rights.
6. The statement of rights of Direct Line Shareholders in relation to the appointment of proxies described in these notes does not apply to Nominated Persons. Such rights can only be exercised by Direct Line Shareholders.
7. Direct Line Shareholders who hold shares through CREST and who wish to appoint a proxy or proxies for the General Meeting or any adjournment(s) by using the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual (available at <https://my.euroclear.com>). CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service providers, who will be able to take the appropriate action on their behalf.
8. In order for a proxy appointment or instruction made by means of CREST to be valid, the appropriate CREST message must be properly authenticated in accordance with Euroclear's specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or an amendment to the instructions given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Computershare (ID-3RA50) not later than 11.15 a.m. on 6 March 2025, or if the meeting is adjourned, at least 48 hours before the start of the adjourned meeting (excluding any part of such 48 hour period falling on a non-working day). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Computershare is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
9. Direct Line Shareholders who hold shares through CREST (and, where applicable, their CREST sponsors or voting service providers) should note that Euroclear does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the Direct Line Shareholders, who hold shares through CREST, to take (or, if the CREST shareholder is a CREST personal shareholder or sponsored shareholder or has appointed a voting service provider, to procure that their CREST sponsor or voting service provider takes) such action as will be necessary to ensure that a message is transmitted by

means of the CREST system by any particular time. In this connection, CREST shareholders (and, where applicable, their CREST sponsors or voting service providers) are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

10. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
11. If you are an institutional investor you may be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Company's Registrars, Computershare. For further information regarding Proxymity, please go to www.proxymity.io. Your proxy must be lodged by 11.15 a.m. on 6 March 2025 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.
12. At the General Meeting voting on the Special Resolution will be by poll rather than a show of hands. A 'Vote withheld' option is provided on the Form of Proxy accompanying this Notice of General Meeting, the purpose of which is to enable Direct Line Shareholders to abstain from voting on the Special Resolution. It should be noted that a vote withheld is not a vote in law and will not be counted in the calculation of the proportion of votes 'For' and 'Against' the Special Resolution.
13. As at the Latest Practicable Date, the Company's issued share capital consisted of 1,311,388,157 ordinary shares, all carrying one vote each. Therefore, the total number of voting rights in the Company as at the Latest Practicable Date is 1,311,388,157. No ordinary shares are held in treasury.
14. Only those Direct Line Shareholders registered in the Company's register of members as at 6.00 p.m. on the day which is two Business Days prior to the date of the Court Meeting or, if the Court Meeting is adjourned, 6.00 p.m. on the day which is two Business Days before the date of such adjourned meeting shall be entitled to attend and vote at this General Meeting.
15. Any Direct Line Shareholder attending the General Meeting in person or by proxy has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the General Meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the General Meeting that the question be answered. Shareholders are reminded that unacceptable behaviour will not be tolerated at the meeting and will be dealt with appropriately by the Chair. Direct Line Shareholders may also send any questions about the business of the General Meeting to the Company Secretary in advance of the Meeting by email to ShareholderEnquiries@directlinegroup.co.uk. Emails must be received no less than 48 hours before the start of the General Meeting (or any adjournment thereof).
16. As an alternative, Direct Line Shareholders can appoint proxies electronically via www.investorcentre.co.uk/eproxy, the instructions for which could be found on pages 45 and 47 of this Document. Completion and return of a Form of Proxy, or the appointment of proxies electronically via www.investorcentre.co.uk/eproxy will not preclude a holder of Direct Line Shares from attending and voting in person at the General Meeting, or any adjournment thereof.
17. Any corporation which is a Direct Line Shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a Direct Line Shareholder, provided that they do not do so in relation to the same shares.
18. In the case of joint holders of ordinary shares the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the other joint holder(s) and for this purpose seniority will be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
19. Direct Line Shareholders may not use any electronic address provided in either this Notice of General Meeting or any related documents (including the enclosed Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.
20. If you have sold or otherwise transferred all of your Direct Line Shares, please forward this Document, together with the accompanying Form of Proxy, as soon as possible to the purchaser or transferee or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares. However, such documents should not be forwarded or transmitted in or into any jurisdiction in which such act would constitute a violation of the relevant laws of such jurisdiction.
21. A copy of the Document, including this Notice of General Meeting, and other information required by section 311A of the Companies Act, is available on Direct Line's website at <https://www.directlinegroup.co.uk/en/investors>.
22. Copies of the Articles of Association as proposed to be amended by the Special Resolution are available for inspection at Direct Line's website and also available for inspection at the registered office of Direct Line being Churchill Court, Westmoreland Road, Bromley, Kent, BR1 1DP, United Kingdom during usual business hours on Business Days up to and including the Effective Date or the date the Scheme lapses or is withdrawn, whichever is earlier.

APPENDIX I

QUANTIFIED FINANCIAL BENEFITS STATEMENT

Paragraph 6 (*Potential synergies and integration planning*) of Part I (*Letter from the Chair of Direct Line*) of this Document includes statements of estimated cost savings and synergies expected to arise from the Acquisition (together, the “**Quantified Financial Benefits Statement**”). As identified in paragraph 6 (*Potential synergies and integration planning*) of Part I (*Letter from the Chair of Direct Line*) of this Document, finalisation of the integration plan will be subject to engagement with appropriate stakeholders, including employee representative bodies and unions.

For the purposes of Rule 28 of the Takeover Code, the Quantified Financial Benefits Statement contained in this Appendix is the responsibility of Aviva and the Aviva Directors, and not of Direct Line or the Direct Line Directors.

A copy of the Quantified Financial Benefits Statement is set out below:

The Aviva Directors, having reviewed and analysed the potential synergies of the Acquisition, based on their knowledge of Direct Line’s business and the UK General Insurance market, and taking into account the factors they can influence, believe that the Acquisition can generate annual run-rate pre-tax cost synergies of at least £125 million by the end of the third year post-Completion, with the synergies expected to be delivered broadly equally in each of the three years post-Completion. These anticipated recurring synergies would be incremental to Direct Line’s previously announced cost savings target of £100 million per annum.

The potential sources of quantified synergies are currently envisaged to include:

- approximately 50 percent derived from the reduction of overlapping roles in a number of shared service, head office and senior management functions, as well as rationalisation of related external costs;
- approximately 30 percent derived from the reduction of overlapping roles across the combined insurance operations and increased efficiency resulting from the Combined Group’s greater scale; and
- approximately 20 percent derived from the integration of duplicative back and middle-office IT platforms, as well as rationalisation of supporting teams.

The integration of the businesses will involve combining the Direct Line business and group functions into the Aviva UK Personal Lines business. It is intended that Direct Line’s core brands will be maintained, including Direct Line, Churchill and Green Flag.

It is envisaged that the realisation of the potential quantified synergies will result in one-off integration costs of approximately £250 million (in aggregate) and approximately 75 percent of these are expected to be incurred in years 1 and 2 post-Completion. Aside from these one-off integration costs, no material dis-synergies are expected in connection with the Acquisition. The identified synergies will accrue as a direct result of the Acquisition and would not be achieved on a standalone basis.

Further information on the bases of belief supporting the Quantified Financial Benefits Statement, including the principal assumptions and sources of information, is set out below.

Bases of Belief

Following initial discussions regarding the Acquisition in November 2024, a synergy development team was established to evaluate and assess the potential synergies available from the Acquisition and the integration and to undertake an initial planning exercise. The team worked in conjunction with Direct Line management on development of the cost synergy plan.

The team, which comprises senior Aviva commercial and financial personnel, has worked collaboratively to identify, challenge and quantify potential synergies as well as estimate any associated costs to achieve such synergies. The team has engaged with the relevant functional heads and other personnel within the Aviva Group to provide input into the development process and to test synergy assumptions and to agree on the nature and quantum of the identified synergy initiatives.

In preparing the Quantified Financial Benefits Statement, both Aviva and Direct Line have shared certain operating and financial information to facilitate the analysis in support of evaluating the potential synergies available from the Acquisition. However, as is typical of these exercises, confidentiality and regulatory considerations have limited the extent of the sharing of data and information. Where data has been limited for commercial and/or other reasons, the team has made estimates and assumptions to aid its development of individual synergy initiatives. The assessment and quantification of the potential synergies have, in turn, been informed by the Aviva management team's industry experience and knowledge of the existing businesses.

In general, the synergy assumptions have been risk adjusted, exercising a degree of prudence in the calculation of the estimated synergy benefits set out above.

In arriving at the Quantified Financial Benefits Statements, the Aviva Directors have assumed:

- no material change to current prevailing global macroeconomic and political conditions in the markets in which Aviva and Direct Line operate;
- no significant impact on the underlying operations of either business as a result of the Acquisition;
- no material impact on either Aviva or Direct Line's respective businesses as a result of legislative or regulatory matters;
- no material change in accounting standards applied by either business; and
- no material acquisitions or divestments made by either business.

The baselines used for the quantified cost synergies were:

- For Aviva: Aviva's UK General Insurance operating expenses for the financial year ended 31 December 2023; and
- For Direct Line: Direct Line's operating expenses for the financial year ended 31 December 2023, adjusted for previously announced cost saving initiatives.

Reports

As required by Rule 28.1(a) of the Takeover Code, PwC, as reporting accountants to the Aviva Group, and Goldman Sachs International and Citi, as joint financial advisers to the Aviva Group, provided the reports required under that rule at the time of the 2.7 Announcement.

The Aviva Directors have confirmed that:

- (A) there have been no material changes to the Quantified Financial Benefits Statement since 23 December 2024, and the Quantified Financial Benefits Statement remains valid; and
- (B) each of PwC and Goldman Sachs International and Citi have confirmed that the reports that they produced, which were included in Parts B and C of Appendix 5 to the 2.7 Announcement, continue to apply.

Notes

These statements are not intended as a profit forecast and should not be interpreted as such. These statements of estimated cost savings and synergies relate to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, or may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Neither the Quantified Financial Benefits Statement nor any other statement in this Document (other than the Aviva 2025 Profit Forecast and Aviva 2026 Profit Forecast) should be construed as a profit forecast or interpreted to mean that the Combined Group's earnings in the first full year following implementation of the Acquisition, or in any subsequent period, would necessarily match or be greater than or be less than those of Aviva or Direct Line for the relevant preceding financial period or any other period.

Due to the scale of the Combined Group, there may be additional changes to the Combined Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost savings may be materially greater or less than those estimated.

APPENDIX II

AVIVA PROFIT FORECASTS

Part A – Aviva 2025 Profit Forecast

In accordance with Rule 28 of the Takeover Code, the Aviva Directors now make the following statement with respect to Group operating profit of the Aviva Group for the year ending 31 December 2025:

“The Aviva Directors forecast that full year Aviva Group operating profit for the year ending 31 December 2025 will be approximately £1.85 billion” (the “**Aviva 2025 Profit Forecast**”).*

The Aviva 2025 Profit Forecast has been compiled on the basis of the principal assumptions stated below and that the basis of accounting used is consistent with the Aviva Group’s accounting policies as set out below.

Basis of preparation

The Aviva 2025 Profit Forecast is based on the Aviva Group’s current internal forecast for the period up to 31 December 2025, using economic assumptions as at 31 October 2024. The basis of accounting used for the Aviva 2025 Profit Forecast is consistent with the Aviva Group’s existing accounting policies, which: (i) are in accordance with UK adopted International Accounting Standards; (ii) were applied in the preparation of the Aviva Group’s financial statements for the year ended 31 December 2023; and (iii) are expected to be applied in the preparation of the Aviva Group’s financial statements for the period up to 31 December 2025. Aviva Group adjusted operating profit represents an APM (as defined at page 27 above).

The Aviva 2025 Profit Forecast is based on the unaudited management information for the year ended 31 December 2024 and a forecast to 31 December 2025.

The Aviva 2025 Profit Forecast has been prepared on the basis referred to above and subject to the principal assumptions set out below. The Aviva 2025 Profit Forecast is inherently uncertain and there can be no guarantee that any of the factors referred to under “Principal Assumptions” below will not occur and/or, if they do, their effect on the Aviva Group’s results of operations, financial condition, or financial performance, may be material. The Aviva 2025 Profit Forecast should therefore be read in this context and construed accordingly.

Principal Assumptions

Factors outside the influence or control of the Aviva Directors for the period up to 31 December 2025:

- no material change to current prevailing global macroeconomic and political conditions in the markets and regions in which the Aviva Group operates or intends to operate;
- no material change in market conditions and investment performance and/or returns that impacts the Aviva Group’s business and/or assets under management compared to those assumed in the Aviva Group’s forecasts;
- no material movements in foreign exchange rates compared with the Aviva Group’s estimates;
- no change in general sentiment towards the Aviva Group and/or its operations which has an impact on its ability to attract customers and to operate its business;
- no business disruption affecting the Aviva Group, its customers or other stakeholders (including, but without limitation, any pandemic-related lockdowns and restrictions or similar, natural disasters, acts of terrorism, cyberattacks, workforce shortage or labour disputes);
- no material deviation in weather-related and large loss experience within the Aviva Group’s General Insurance businesses compared to the risk-adjusted long-term averages assumed in the Aviva Group’s estimates;
- no material change in reinsurance terms available in the market at the time of renewal compared to those assumed in the forecast;

- no change in legislation, taxation or regulatory environment relating to the Aviva Group or which may impact demand for the Aviva Group's products and propositions amongst both existing and prospective customers;
- no material change in the Aviva Group's existing debt arrangements, except for those already reflected in the forecast, or its ability to access external financing;
- no new or changes to litigation, claims or contractual disputes, including remediation actions, which are material in the context of the Aviva Group; and
- no material change in experience related to non-economic factors, including, but not limited to, mortality, morbidity and longevity rates compared to long term rates assumed by the Aviva Group.

Factors within the influence or control of the Aviva Directors for the period up to 31 December 2025:

- no material acquisitions, disposals, distribution partnerships, joint ventures or other commercial agreements, other than those already assumed within the forecast;
- no material changes in the Aviva Group's accounting policies and/or the application thereof; and
- no material changes in key management or Strategy of the Aviva Group.

Reports

As required by Rule 28.1(a) of the Takeover Code, PwC, as reporting accountants to Aviva, have provided a report stating that, in their opinion, the Aviva 2025 Profit Forecast has been properly compiled on the basis stated. In addition, Citi and Goldman Sachs International, as joint financial advisers to Aviva, have each provided a report stating that, in their view, the Aviva 2025 Profit Forecast has been prepared with due care and consideration. Copies of these reports are included at Parts B and C of this Appendix II.

* Reference to operating profit represents the Aviva Group adjusted operating profit which is a non-GAAP APM and is not bound by the requirements of IFRS. Various items excluded from the Aviva Group adjusted operating profit, but included in IFRS profit before tax, are a) investment variances and economic assumption changes, b) impairment, amortisation and profit or loss on disposal, c) integration and restructuring costs and d) other items. Further details of the measure are included in the 'Other information' section of the 2023 Aviva Annual Report.

Part B – REPORT FROM PwC

The directors (the “**Aviva Directors**”)

Aviva plc
80 Fenchurch Street
London
EC3M 4AE

Citigroup Global Markets Limited
Citigroup Centre
Canada Square
Canary Wharf
London
E14 5LB

Goldman Sachs International
Plumtree Court
25 Shoe Lane
London
EC4A 4AU

10 February 2025

Dear Ladies and Gentlemen

Profit forecast for Aviva plc

We report on the profit forecast for Aviva plc (the “**Company**”) and its subsidiaries (together, the “**Group**”) for the financial year ending 31 December 2025 (the “**Aviva 2025 Profit Forecast**”) included in Part A of Appendix II (*Aviva Profit Forecasts*) of the Scheme Circular issued by Direct Line Insurance Group plc dated 10 February 2025 (the “**Scheme Circular**”), to the effect that:

“The Aviva Directors forecast that full year Aviva Group operating profit for the year ending 31 December 2025 will be approximately £1.85 billion.”

This report is required by Rule 28.1(a)(i) of the City Code on Takeovers and Mergers (the “**Takeover Code**”) and is given for the purpose of complying with that requirement.

Opinion

In our opinion, the Aviva 2025 Profit Forecast has been properly compiled on the basis stated and that the basis of accounting used is consistent with the Company’s accounting policies.

The Aviva 2025 Profit Forecast has been made in the context of the disclosures in Part A of Appendix II (*Aviva Profit Forecasts*) of the Scheme Circular setting out the principal assumptions supporting the Aviva 2025 Profit Forecast.

Responsibilities

It is the responsibility of the Aviva Directors to prepare the Aviva 2025 Profit Forecast in accordance with the requirements of Rule 28 of the Takeover Code.

PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

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PricewaterhouseCoopers LLP is a limited liability partnership registered in England with registered number OC303525. The registered office of PricewaterhouseCoopers LLP is 1 Embankment Place, London WC2N 6RH. PricewaterhouseCoopers LLP is authorised and regulated by the Financial Conduct Authority for designated investment business.

It is our responsibility to form an opinion, as required by Rule 28.1(a)(i) of the Takeover Code, as to the proper compilation of the Aviva 2025 Profit Forecast and to report that opinion to you as to whether the Aviva 2025 Profit Forecast has been properly compiled on the basis stated.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed or to the shareholders of the Company as a result of the inclusion of this report in the Scheme Circular and for any responsibility arising under Rule 28.1(a)(i) of the Takeover Code to any person as and to the extent therein provided, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Rule 23.2 of the Takeover Code, consenting to its inclusion in the Scheme Circular.

Basis of preparation of the Aviva 2025 Profit Forecast

The Aviva 2025 Profit Forecast has been prepared on the basis stated in Part A of Appendix II (*Aviva Profit Forecasts*) of the Scheme Circular and is based on the unaudited management information for the year ended 31 December 2024 and a forecast to 31 December 2025. The Aviva 2025 Profit Forecast is required to be presented on a basis consistent with the accounting policies of the Company.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Financial Reporting Council (“**FRC**”) in the United Kingdom. We are independent in accordance with the Revised Ethical Standard 2019 issued by the FRC as applied to Investment Circular Reporting Engagements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our work included considering whether the Aviva 2025 Profit Forecast has been accurately computed based upon the disclosed assumptions and the accounting policies of the Company. Whilst the assumptions upon which the Aviva 2025 Profit Forecast are based are solely the responsibility of the Aviva Directors, we considered whether anything came to our attention to indicate that any of the assumptions adopted by the Aviva Directors which, in our opinion, are necessary for a proper understanding of the Aviva 2025 Profit Forecast have not been disclosed and whether any material assumption made by the Aviva Directors appears to us to be unrealistic.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Aviva 2025 Profit Forecast has been properly compiled on the basis stated.

Since the Aviva 2025 Profit Forecast and the assumptions on which it is based relate to the future and may therefore be affected by unforeseen events, we express no opinion as to whether the actual profits achieved will correspond to those shown in the Aviva 2025 Profit Forecast and the differences may be material.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Yours faithfully,

PricewaterhouseCoopers LLP
Chartered Accountants

PricewaterhouseCoopers LLP, 7 More London Riverside, London, SE1 2RT
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Part C – REPORT FROM GOLDMAN SACHS INTERNATIONAL AND CITI

The Directors
Aviva plc
80 Fenchurch Street
London
United Kingdom
EC3M 4AE

10 February 2025

Dear Sirs,

Offer for Direct Line Insurance Group plc (“Direct Line”)

We refer to the profit forecast for the financial year ending 31 December 2025 set out in Part A of Appendix II (*Aviva Profit Forecasts*) of this Document (the “**Aviva 2025 Profit Forecast**”) for which the Directors of Aviva Plc (“**Aviva**”) are solely responsible under Rule 28 of the City Code on Takeovers and Mergers (the “**Code**”).

We have discussed the Aviva 2025 Profit Forecast and the bases and assumptions on which it has been prepared with the Directors of Aviva and with PricewaterhouseCoopers LLP (“**PwC**”), Aviva’s reporting accountants. We have also discussed the accounting policies and calculations for the Aviva 2025 Profit Forecast with PwC and we have considered and discussed with them their letter of today’s date addressed to you and ourselves on this matter set out in Part B of Appendix II (*Aviva Profit Forecasts*) of this Document.

We have relied upon the accuracy and completeness of all the financial and other information discussed with us and have assumed such accuracy and completeness for the purposes of delivering this letter.

We do not express any view as to the achievability of the Aviva 2025 Profit Forecast.

On the basis of the foregoing, we consider that the Aviva 2025 Profit Forecast, for which Aviva and the Directors are solely responsible, has been prepared with due care and consideration.

This letter is provided to you solely in connection with Rule 28.1(a)(ii) of the Code, and for no other purpose. We accept no responsibility to Direct Line or its or Aviva’s shareholders or any other person, other than the Directors of Aviva, in respect of, arising out of, or in connection with, this letter; no person other than the Directors of Aviva can rely on the contents of this letter, and to the fullest extent permitted by law, we exclude all liability (whether in contract, tort or otherwise) to any other person, in respect of this letter, its content or the work undertaken in connection with this letter or any of the results that can be derived from this letter or any written or oral information provided in connection with this letter, and any such liability is expressly disclaimed except to the extent that such liability cannot be excluded by law.

Yours faithfully,

Citigroup Global Markets Limited

Goldman Sachs International

Part D – Aviva 2026 Profit Forecast

On 7 March 2024, Aviva released its full year results and accompanying presentation for the 12 months ended 31 December 2023. Included within these results was the following statement, which for the purposes of Rule 28 of the Takeover Code constitutes an ordinary course profit forecast for the period up to 31 December 2026 (the “**Aviva 2026 Profit Forecast**”):

- Group operating profit: £2 billion by 2026*

The Aviva Directors confirm that, as at the date of this Document, the Aviva 2026 Profit Forecast remains valid and has been properly compiled on the basis of the principal assumptions stated below and that the basis of accounting used is consistent with Aviva’s accounting policies as set out below.

Basis of preparation

The Aviva 2026 Profit Forecast is based on the Aviva Group’s current internal forecast for the period up to 31 December 2026, using economic assumptions as at 31 October 2024. The basis of accounting used for the Aviva 2026 Profit Forecast is consistent with the Aviva Group’s existing accounting policies, which: (i) are in accordance with UK adopted International Accounting Standards; (ii) were applied in the preparation of the Aviva Group’s financial statements for the year ended 31 December 2023; and (iii) are expected to be applied in the preparation of the Aviva Group’s financial statements for the period up to 31 December 2026. The Aviva 2026 Profit Forecast has been prepared on the basis referred to above and subject to the principal assumptions set out below. The Aviva 2026 Profit Forecast is inherently uncertain and there can be no guarantee that any of the factors referred to under “Principal Assumptions” below will not occur and/or, if they do, their effect on the Aviva Group’s results of operations, financial condition, or financial performance, may be material. The Aviva 2026 Profit Forecast should therefore be read in this context and construed accordingly. Aviva Group adjusted operating profit represents an APM (as defined at page 27 above).

Principal Assumptions

Factors outside the influence or control of the Aviva Directors for the period up to 31 December 2026:

- no material change to current prevailing global macroeconomic and political conditions in the markets and regions in which the Aviva Group operates or intends to operate;
- no material change in market conditions and investment performance and/or returns that impacts the Aviva Group’s business and/or assets under management compared to those assumed in the Aviva Group’s forecasts;
- no material movements in foreign exchange rates compared with the Aviva Group’s estimates;
- no change in general sentiment towards the Aviva Group and/or its operations which has an impact on its ability to attract customers and to operate its business;
- no business disruption affecting the Aviva Group, its customers or other stakeholders (including, but without limitation, any pandemic-related lockdowns and restrictions or similar, natural disasters, acts of terrorism, cyberattacks, workforce shortage or labour disputes);
- no material deviation in weather-related and large loss experience within the Aviva Group’s General Insurance businesses compared to the risk-adjusted long-term averages assumed in the Aviva Group’s estimates;
- no material change in reinsurance terms available in the market at the time of renewal compared to those assumed in the forecast;
- no change in legislation, taxation or regulatory environment relating to the Aviva Group or which may impact demand for the Aviva Group’s products and propositions amongst both existing and prospective customers;
- no material change in the Aviva Group’s existing debt arrangements, except for those already reflected in the forecast, or its ability to access external financing;
- no new or changes to litigation, claims or contractual disputes, including remediation actions, which are material in the context of the Aviva Group; and

- no material change in experience related to non-economic factors, including, but not limited to, mortality, morbidity and longevity rates compared to long term rates assumed by the Aviva Group.

Factors within the influence or control of the Aviva Directors for the period up to 31 December 2026:

- no material acquisitions, disposals, distribution partnerships, joint ventures or other commercial agreements, other than those already assumed within the forecast;
- no material changes in the Aviva Group's accounting policies and/or the application thereof; and
- no material changes in key management or strategy of the Aviva Group.

* Reference to operating profit represents the Aviva Group adjusted operating profit which is a non-GAAP APM and is not bound by the requirements of IFRS. Various items excluded from the Aviva Group adjusted operating profit, but included in IFRS profit before tax, are a) investment variances and economic assumption changes, b) impairment, amortisation and profit or loss on disposal, c) integration and restructuring costs and d) other items. Further details of the measure are included in the 'Other information' section of the 2023 Aviva Annual Report.

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