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With Profit Operating Principles (WPOP)

for the Irish With-Profits Fund of Aviva Life & Pensions Ireland Designated Activity Company

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Contents

Section 1: Introduction

The Introduction and any statements at the start of subsequent sections of this document, together with the appendices, are provided by way of background information and do not form part of the Principles.

1.1 Company information

Aviva Life & Pensions Ireland Designated Activity Company ("the Company") is owned by Aviva Life & Pensions UK Limited, which is owned by Aviva Life Holdings UK Limited, whose ultimate holding company, Aviva plc, is incorporated in England.

Further information on the company names and background is provided in Appendix B

The Company sells products throughout Ireland under the Aviva brand.

1.2 What business is covered by this document?

This document covers the with-profits business in the Irish With-Profits Fund of the Company (''the Irish WPF'').

The Company contains policies originally issued by a number of other insurance companies. The structure chart in Appendix C shows the composition of funds under the Company.

The most common names that exist on what are now policies of the Irish WPF are Aviva Life & Pensions Ireland Designated Activity Company (''ALPI DAC''), Aviva Life & Pensions Ireland Limited, Norwich Union Ireland, Norwich Union Insurance Ireland Limited, Hibernian Life Limited and Hibernian Life & Pensions Limited. There are no policies issued by "Friends Provident" or "Friends First" in the Irish WPF.

1.3 Purpose of WPOP

What is a WPOP?

A WPOP is a document that sets out the Principles that a company follows when managing its with-profits business. A WPOP must comply with Central Bank of Ireland (CBI) regulations. The WPOP for the Irish WPF has been approved by the Board of Directors of Aviva Life & Pensions Ireland Designated Activity Company ('the Board'). The Board will report each year on whether the Irish WPF has been managed in accordance with the WPOP.

The WPOP will be provided on request free of charge to Irish WPF with-profits policyholders and for a reasonable charge to any other person. The location of the WPOP on the Company's website will be prominently signposted.

What are Principles?

The with-profits Principles are enduring statements of overarching standards followed by a company when managing a with-profits sub-fund bearing in mind its duties to with-profits policyholders in both the current and future economic environments, its need to be fair to all policyholders, and comply with any relevant legislation and policy terms and conditions.

Changes to Principles

Changes to the WPOP will only be made in accordance with CBI regulations, subject to the governance set out below and in compliance with any requirements of the Scheme as set out below.

1.4 Governance arrangements surrounding the WPOP

It is the responsibility of the Board to ensure that the Company manages the Irish WPF in line with the Principles set out in this document.

The Company has put in place the following governance arrangements to offer assurance that WPOP have been adhered to:

- The Board will produce a 'With-Profits Policyholder Report' annually that includes information on compliance with the WPOP and the way the firm has exercised discretion and addressed any competing or conflicting rights and expectations. This will be made available to policyholders on the website aviva.ie/ppfm and on request.

- The Board appoints a Head of Actuarial Function whose responsibilities are defined by the Central Bank of Ireland under their “Domestic Actuarial Regime and Related Governance Requirements under Solvency II” document of 2015. The individual appointed as Head of Actuarial Function must be approved by the Central Bank of Ireland before taking up the role. The Head of Actuarial Function responsibilities include advising the Board in relation to the WPOP.

A With-Profits Committee (WPC), with a majority of independent members, has been formed to provide independent oversight and challenge to the Company to ensure that fairness and with-profits customers’ interests are appropriately considered in the Company’s governance structures and decision making processes.

More details on the governance and operations of the Irish WPF including membership of the WPC and its terms of reference can be found on our website at aviva.ie/ppfm.

1.5 Court Scheme

The management of Aviva Life & Pensions Ireland Designated Activity Company is also governed by a Scheme approved by the High Court of England and Wales, ‘the 2019 Ireland Scheme’ (known as ‘the Scheme’ in the remainder of this document). In the event of any conflict between the terms of the Scheme and this document, the terms of the Scheme will take precedence. If we wish to change a Principle in this document, and it is directly related to a provision in the Scheme, then the Scheme would first need to be changed, which would normally require Court approval.

The WPOP and the Scheme are not intended to alter the rights and obligations we have under any policy documents issued to policyholders.

1.6 Glossary

Appendix A defines the key words and phrases used within this report. The following section also gives some background information on types of with-profits policies, and types of bonus.

1.7 Background information on with-profits policies

With-profits policies typically provide benefits at certain contractual dates specified in the policy.

The contractual date is typically the end of the policy term, called the ‘maturity date’ for endowment policies or the ‘retirement date’ for pensions policies. For other policies such as with-profits bonds, the policy may specify particular contractual dates, for example the 10th policy anniversary. The benefits are also, typically, guaranteed on the death of the policyholder. Benefits may be taken at other times, but the payout received in this case is not usually guaranteed in any way.

Bonuses may be added to increase the value of the benefits of the policy. There are typically two forms of bonus:

- Annual bonuses, which are added throughout the policy term, although at certain times the annual bonus may be zero; and
- Terminal bonuses, which may be added whenever the policy benefits are taken. Again, the terminal bonus may be zero.

There are two types of with-profits policies:

- ‘Conventional’ with-profits (‘CWP’) policies typically provide a guaranteed amount of money on a set date or dates (‘the contractual date(s)’) and/or on death, provided that all the premiums are paid when due. The annual bonuses added from time to time increase the value of the initial guarantee set out in the policy. A terminal bonus may be added on the contractual date. Policies may be ended early, but the proceeds are then not usually guaranteed.
- ‘Unitised’ with-profits (‘UWP’) policies are different. Typically, each premium paid buys a number of units. Annual bonus may be added either by increasing the price of the units held and/or by adding extra units to the policy. Units may be cashed in at any time and a terminal bonus may be added. However, if the units are cashed in at any time that is not one of the contractual dates, a deduction called a ‘Market Value Reduction’ (‘MVR’) may be made from their value.

Not all policies receive the same bonus rates. For the purposes of setting bonuses, policies are grouped, mainly by type of policy. All policies in the group, known as a 'bonus series', will receive the same rate of annual bonus. The terminal bonus rates that apply to the group will typically depend on the year the benefits were purchased.

Section 2: The amount payable under a with-profits policy

Amount payable

Principles

The amount paid on maturity or death for a policy in the Irish WPF will be the initial guaranteed benefits, plus bonuses constituting an equitable share of the distributable surplus earned by the Irish WPF over the period of investment, subject to the terms of the policy conditions which take precedence.

Where a policy is eligible for a surrender value, the amount paid on surrender will have regard to the initial guaranteed benefits and bonuses, and the desire to avoid surrenders causing a strain on the Irish WPF for continuing policyholders.

Common bonus rates are used for appropriate groupings of policies reflecting an element of cross-subsidy and pooling of risks for policies with similar characteristics. A single group may contain policies of different type, age, year of entry, size and premium history.

In order to provide an element of stability in the returns to policyholders at maturity, smoothing is applied by spreading profits and losses from one year to the next. It is intended that the long-term cost of smoothing is broadly neutral across generations of policyholders. No such year-on-year smoothing is applied when reviewing surrender values and, in the case of unitised with-profits policies, other non-contractual cancellation of units. In between such reviews smoothing applies as described in the practices.

The level and timing of the Company's guarantee obligations to policyholders relative to the size of the Irish WPF's assets may also affect both the change in payouts and the bonus rates themselves. The security of the guaranteed values of the Irish WPF is paramount and if threatened this may over-ride other considerations.

With the approval of the Board, following recommendations from the Head of Actuarial Function:

- Different systems and different methodologies may be used for the purposes of determining bonuses or payouts for different types of business. The systems and methods used to determine bonuses or payouts may be changed from time to time, as a result of changes in circumstances including systems upgrades or to improve the management of the bonus process. Approximate methods may be used where necessary, or if deemed appropriate:

– Where approximations are not expected to significantly affect the resulting bonuses or payouts, or

– Where the historical data required to perform precise calculations is no longer available or is difficult or costly to access. In this case the calculations will be carried out as accurately as is reasonably possible in the Head of Actuarial Function's opinion.

- Historical assumptions and parameters may be updated to support a change to the systems or to improve further the accuracy of the calculations.

Asset share methodology

Principles

Where asset shares are used as a guide to determine the amount payable under a policy they appropriately reflect the sources of profit or loss to the Irish WPF in which they share.

Bonus philosophy

Principles

Annual bonus rates are set with the aim of providing a progressive build up of guaranteed benefits over the lifetime of the policy with an overarching aim of retaining sufficient profits to provide an appropriate margin for terminal bonus. Annual bonus rates may be changed to reflect past investment performance, changes in expected long-term investment returns and any guarantees in the policies to which they apply. Annual bonus rates will be smoothed to limit the changes in these rates from year to year; however the annual bonus rate could be zero if appropriate subject to policy conditions.

Different bonus rates may apply to different types of policy, for example to reflect significant differences in investment mix, guarantees and charges, premium rates, policy types and series. New bonus series may be created in a variety of circumstances, including in order to maintain equity between different policy classes, policies written under different premium rates and different generations of policyholders.

Terminal bonus rates are set with the aim of distributing the balance of the distributable surplus earned over the lifetime of the policy, to the extent that such profits have not previously been distributed by way of annual or other bonus additions. Terminal bonus rates are smoothed as described in the 'Amount payable' section.

The Board may alter conditions for payment of terminal bonuses or cease paying terminal bonuses at any time without notice. Factors which might lead to a change include changes in the financial circumstances of the Irish WPF and anticipated future experience of an exceptional nature.

Market Value Adjustment

Introduction

It is the responsibility of the Board to ensure any current activity does not adversely affect ongoing policyholders and their rights. For unitised with-profits policies, the use of a Market Value Adjustment (MVA) is one of the key aspects in the protection of payouts for policyholders still invested in the Irish WPF.

Principles

For unitised with-profits policies, a Market Value Adjustment (MVA) may be used whenever it is necessary to protect the Irish WPF or other with-profits investors in the Irish WPF from loss arising from unit cancellations. An MVA may be used whenever the asset share is lower than the value of units, including any terminal bonus, subject to policy conditions.

Section 3: Investment strategy

Introduction

Information (which has previously been made publicly available) on the mix of assets and investment returns in recent years is given on the Irish With-Profits Fund investment information sheet which is available on the website aviva.ie/ppfm.

Principles

The investment strategy aims to provide the highest long-term returns (allowing for the effect of taxation) consistent with the interests of policyholders and commensurate with acceptable levels of solvency risk, having regard to:

- The nature and term of the with-profits liabilities and the management of cashflows;
- The current and expected level of guarantees;
- Regulatory solvency requirements and future possible scenarios;
- The size of the inherited estate and any freedom or restrictions in investment flexibility that it may provide;
- Advice from the Fund Managers;
- Short-term and long-term anticipated returns in different asset classes;
- Volatility of different asset classes;
- Policyholders' Reasonable Expectations;
- Asset Liability Matching; and
- The Risk Appetite of the Irish WPF.

The monies of the Irish WPF will be invested in a range of assets where this reduces risk. Investment returns are benchmarked against appropriate indices, taking into consideration the levels of risk inherent in each asset class and stock. Maximum and minimum exposures to, and performance benchmarks for different investment classes and/or individual investments will be set from time to time in accordance with Irish WPF objectives. Maximum exposures to investments in any one counterparty are specified. Intended holding ranges in various asset classes may be changed in order to improve long-term performance or to improve the likelihood that the Irish WPF can meet its guarantees.

In accordance with the Scheme, the Company maintains a separate register of assets for the Irish WPF. In normal circumstances, the investment strategy for the Irish WPF will be determined according to the composition of the Irish WPF alone. The Irish WPF may have recourse to the assets in the Shareholder Fund and Other Business Fund of the Company, should this be necessary in order to meet guarantees or otherwise to treat customers fairly.

Investments may be made in derivatives or similar instruments if they are appropriate to the objectives of the Irish WPF. Such investments are subject to the appropriate internal governance procedures of the Company.

The investment strategy of the Irish WPF takes into account the nature and term of the liabilities, by considering appropriate assets for different classes of with-profits policy and different generations of with-profits policyholders. No other investment constraints are placed on parts of the Irish WPF, other than those detailed in the rest of this section which apply to the entire Irish WPF.

Section 4: Business risk

Introduction

The with-profits policyholders are entitled to a share of the distributable surplus of the Irish WPF, as determined by the Board, and are exposed to general business risk of miscellaneous profits and losses that may arise from various sources within the Irish WPF.

Principles

With the exception of increments to existing policies, the Irish WPF is closed to new business.

The Irish WPF may make investments in accordance with applicable legal and regulatory requirements.

Control of existing business risk is exercised through the Company's governance arrangements which include regular monitoring of all significant business risks. Processes are established to determine the impact of the various business risks, for example insurance, market, credit, liquidity, operational, on the financial position of the Irish WPF and where necessary to identify and implement appropriate mitigating actions.

Where compensation costs from a business risk will be borne depends on the nature of the compensation and the need to ensure fairness of treatment between policyholders and shareholders.

Section 5: Charges and expenses

Principles

The expense charges allocated to the Irish WPF shall be as determined by the Board to be fairly attributable to the Irish WPF, having taken appropriate actuarial advice and having consulted the With-Profits Committee.

The amount of tax attributable to the Irish WPF is set based on the level that would be borne if the Irish WPF were to be a separate Irish proprietary life insurance company subject to tax in Ireland. Should the Board of ALPI DAC consider this to be inappropriate, having taken the advice of the Head of Actuarial Function, who will consult the With-Profits Committee, it may charge a different amount.

Section 6: Management of the inherited estate

Principles

The inherited estate of the Irish WPF is held and managed independently of other inherited estates within the Aviva group. The inherited estate will be managed in accordance with any applicable legal and regulatory requirements, including the Company's duty to maintain adequate financial resources and to take reasonable care to organise and control its affairs responsibly and effectively.

The Board will ensure that the inherited estate is applied equitably during the anticipated period of existence of the Irish WPF in the provision of bonuses (allowing for shareholder transfers) with the aim of distributing all of the inherited estate by the time the last payouts on with-profits policies are made.

Subject to this paramount requirement, the inherited estate may be used, at the Board's discretion, to:

- Provide investment flexibility by enabling a higher proportion of the investments to be held in potentially higher reward but higher risk assets than would otherwise be the case;
- Provide a cushion of additional security against unexpected adverse events;
- Permit flexibility in the smoothing of maturity and surrender payouts for with-profits policies
- Pay any amounts as required in the Scheme; and

- Meet such other purposes as permitted by law and consistent with the Company's duty to maintain adequate financial resources.

The inherited estate constitutes the working capital of the Irish WPF.

Bonus rates and investment policy will be managed in order to keep the inherited estate of the Irish WPF at levels which, in the opinion of the Board (on the advice of the Head of Actuarial Function), is appropriate for the level of risk 'run' by the business. In view of the fact that the inherited estate bears the risk associated with the provision of smoothing and guarantees, an appropriate charge may be made to policies to maintain the inherited estate at an appropriate level. Any such charge may differ by policy type.

The Scheme approved by the Court in 2019 provides that when the Irish WPF reduces in size to €250m the Company may declare a fixed scale of bonuses by distributing all of the assets in the Irish WPF (including any inherited estate) at that time.

Section 7: Volumes of new business

Principles

No new business is written in the Irish WPF except for incremental business and business written following the exercise of options on existing contracts, which requires the Irish WPF to accept such business.

Section 8: Equity between the Irish WPF and shareholders

Principles

For business transferred on demutualisation, the Demutualisation Scheme specifies the maximum transfer to shareholders. In respect of conventional with-profits business, it is one-ninth of the cost of bonus allocated to policyholders. Unitised with-profits business was previously transferred from Aviva Life & Pensions Ireland Limited into the Non-Profit Sub-Fund of Aviva Life & Pensions UK Limited, and has now been transferred to the Company as part of the Scheme, with the investment element held within the Irish WPF; in respect of this the transfer to shareholders is in the form of an annual management charge: shareholders do not share in the distribution of profits to unitised with-profits policies.

In accordance with the Demutualisation Scheme, business written since demutualisation is issued on the basis that the maximum transfer to shareholders is specified in advance of issue.

Any change in the maximum transfer to shareholders as described above could not be altered without:

- A change to the Scheme subject to the approval of the regulator, and in addition, dependent on the nature of the change, the approval of an independent expert and sanction by the High Court of England and Wales may be required;
- In the context of an insurance business transfer scheme, prior notification to policyholders, the approval of an independent expert and sanction by the High Court of Ireland; and
- In the context of a re-attribution of the inherited estate that would involve a change in the profit-sharing arrangement, the approvals required by regulation or as required for any other mechanism for the re-attribution of the inherited estate permitted by law.

All transactions between the Irish WPF and other sub-funds of the Company or Aviva group companies should be fair and equitable, defined by being consistent with established market practice and with the terms available under similar arm's length agreements.

As an overarching Principle, the Company reserves its right to proceed with any reorganisation or transfer of business, or merging or dividing or closing of the Irish WPF, or any combination of the above in accordance with any legal or regulatory requirements.

Appendix A: Glossary

Amount paid on death

The total amount payable if the insured person dies while the policy is still in force.

Amount paid on maturity

The total amount payable at the date originally agreed as being the termination date of the policy if it is still in force at that time.

Amount payable on surrender

The total amount payable if the policyholder decides to cash in (or transfer in respect of a pension) the benefits at a date other than the originally agreed termination date.

Annual bonus

These are the distributions of surplus added to the policy each year. For unitised with-profits policies investments this is done by increasing the price of the units held in the Irish WPF. For conventional with-profits policies this is done by adding further to previously declared bonuses. Once added, annual bonus is guaranteed to be paid on death and, if the investment has a maturity date, at the end of the term.

Annual management charge

A deduction made from unitised with-profits policies to cover administration and investment management expenses. This is either taken explicitly by the cancellation of units or implicitly being built into the bonus rate declared.

Appropriate actuarial advice

'The Board having taken account of appropriate actuarial advice' means that the Board has taken such internal actuarial advice as the Board decides in the context of the relevant matter, which must always include the advice of the Head of Actuarial Function in matters relating to the security or benefit expectations of holders of with-profits policies. The Board may also in its absolute discretion obtain external actuarial advice, and in this case, the reference shall be to the Board having also taken account of that external actuarial advice.

Asset share

The premiums paid, less deductions for expenses, guarantees, tax and other charges, plus any allocations of business profits, accumulated at the investment return achieved on relevant assets of the Irish WPF.

Benchmark

The standard position, for example, for the percentage of assets to be held in equities, fixed interest and property and against which any difference would be measured for assessing performance of investment managers.

Central Bank of Ireland

The Central Bank of Ireland (CBI) is responsible for the prudential regulation and supervision of banks, building societies, credit unions, insurers and major investment firms in Ireland. It is the lead regulatory body responsible for the Irish WPF.

Conventional with-profits

Life and pension policies written with an initial guaranteed benefit and all charges are allowed for within the premium rates. The policies are invested in the Irish WPF and share in the return on the Irish WPF through the addition of bonuses.

Counterparty

Investment contracts impose an obligation on both parties to meet with the terms of the contract. The other party is known as the counterparty

Counterparty limits

The Company set limits on the amount of investments it can have with a particular counterparty. This prevents excessive exposure to one company and the risk that would entail.

Demutualisation Scheme

The scheme of transfer on 15 June 1997 by which Norwich Union effectively became a shareholder owned company rather than a company owned by its policyholders, by transferring policies to Norwich Union Life & Pensions Limited and Norwich Union Life Insurance Ireland Limited.

Endowment assurance

A life assurance plan that pays a sum of money on the survival of the life assured to a specific date, or upon their earlier death, in return for regular premiums or a one-off payment.

Head of Actuarial Function

The Head of Actuarial Function role is defined by the Central Bank of Ireland under their "Domestic Actuarial Regime and Related Governance Requirements under Solvency II" document of 2015.

Following the transfer of the Irish WPF from the United Kingdom to Ireland on 29 March 2019 under a Court approved Scheme ("the Ireland 2019 Scheme"), the Company requires the Head of Actuarial Function to fulfil additional responsibilities, set out throughout this PPFM, in order to maintain the level of protection the transferring policies had immediately prior to the transfer.

Inherited estate

The inherited estate is the excess of assets held within the Irish WPF, over and above the amount required to meet the liabilities. The assets over and above the assets backing guarantee costs in excess of asset share are sometimes known as the realistic inherited estate. The liabilities, for this purpose, include those that arise from the regulatory duty to treat customers fairly in setting discretionary benefits, such as terminal bonuses. The inherited estate acts as working capital of the business. It is used to support the business by, for example, providing investment flexibility and a 'cushion' against adverse stock market conditions.

Initial guaranteed benefits

When a conventional with-profits policy is taken out the policy defines a basic benefit that is guaranteed to be paid at maturity or earlier death or other specific times (together with any bonuses declared subsequently on the policy) as long as all premiums are paid when they are due and the policy is kept in force.

Interim bonus

Where an annual bonus rate has only been declared up to a certain date, then an interim bonus covers the period before a next declaration for claims made during that period.

Irish WPF

The Irish With-Profits Fund of Aviva Life & Pensions Ireland Designated Activity Company.

Market Value Adjustment (MVA)

This applies to unitised with-profits products only. It is a reduction that may be applied to the total unit value if the policyholder moves money out of the Irish WPF. It is applied to achieve a fair level of payouts, and to be fair to the remaining policyholders. It is most likely to be applied following large or prolonged stock market falls or when returns are below those normally to be expected. The policy conditions specify when it is guaranteed that an MVA will not be applied.

Maturity date

When an endowment policy is taken out there is an agreed date, the maturity date, when the benefits will be paid so long as the policy is kept in force. For a pension policy it is the selected retirement date at commencement of the policy.

Other Business Fund

The main non profit fund of the Company.

Pooling

The sharing of investments or risks between sub-funds or parts of sub-funds.

Regulatory solvency

The required minimum level of assets in excess of liabilities including any required regulatory buffer.

Scheme/Scheme of Transfer

With the exception of the Introduction and Appendix B, all references throughout this document refer to the Scheme of Transfer approved by the High Court of England and Wales in 2019 and effective from 29 March 2019 (the 'Scheme Date').

Shareholder Fund

Assets held within the Company that are not within the Irish WPF, the Other Business Fund , the Participating Fund, the Closed Fund or the Other ALPI DAC UKLAP funds introduced by the Scheme on 29 March 2019. The assets of this fund are available to meet the Solvency Risk Appetite and, to the extent not required for this, may be distributed to shareholders.

Smoothing

The claim payout under a with-profits policy aims to dampen the volatility of return from the underlying assets.

Solvency Risk Appetite

The Solvency Risk Appetite describes the Company's approach to the management of its Capital position. The Solvency Risk Appetite is the preferred level of capital in excess of the minimum required by regulations. It provides protection to the Company against the risk of breaching regulatory requirements and restricts the ability of the Company to pay dividends.

Surrender

The termination of a contract prior to maturity or for a pension policy earlier than its initial selected retirement date.

Terminal Bonus

This may be added to investments in the Irish WPF when a claim arises. The terminal bonus is not guaranteed and may be changed or removed at any time.

Unitised with-profits

With-profits business in which each premium paid purchases a number of units at the price relevant on that day. The unit price increases at a daily rate through the application of the annual bonus rate declared. A terminal bonus and/or market value adjustment may also apply at the time of a claim.

An annual management charge is made, implicitly or explicitly.

With-profits business

This is that part of the business, which includes the issuing of with-profits policies.

With-Profits Committee

A committee set up to provide some independent judgement in assessing compliance with the PPFM and addressing conflicting rights and interests of policyholders and, if applicable, shareholders. Certain decisions, specified in the Scheme or PPFM, may only be taken after consultation with the With-Profits Committee, but in the main, the Head of Actuarial Function advises the Board having consulted the With-Profits Committee. Where the views of the With-Profits Committee and the Head of Actuarial function differ, the Head of Actuarial Function must present both views to the Board.

With-profits sub-fund

This is a pool of assets held in respect of with-profits business which can back a combination of with-profits and non-profit policies. There are a number of with-profits sub-funds within the Company, of which the Irish With-Profits Fund is one.

Working capital

An amount representing the fair market value of the with-profits assets less the realistic value of liabilities of a with-profits sub-fund. This is also known as the inherited estate of a with-profits sub-fund.

Appendix B: Background

Company Information

Aviva Life & Pensions Ireland Designated Activity Company ("the Company") is an authorised life insurance company incorporated in Ireland. Its registered office and head office are in Dublin. It is a wholly owned subsidiary of Aviva Life & Pensions UK Limited.

The history of the Company is briefly described below.

Friends' Provident Life Office (FPLO) was founded in 1832 as a mutual life company. It wrote business in both the UK and Ireland. In 1990 it transferred its Irish branch business to Friends Provident Life Assurance Company Limited (FPLAC) under a Scheme of Transfer approved by the High Court.

In 1993 FPLAC acquired control of NM Life Assurance Ireland Limited, which in 1995 was transferred into FPLAC under a Scheme of Transfer approved by the High Court.

In 1998 FPLAC was renamed Friends First Life Assurance Company Ltd (FFLAC). In 2016 it became Friends First Life Assurance Company dac.

In 2018 FFLAC was purchased by Aviva plc. It became a wholly owned subsidiary of Aviva Life & Pensions Ltd and was renamed Aviva Life & Pensions Ireland Designated Activity Company (ALPI DAC).

Fund Structure

The fund structure of Aviva Life & Pensions Ireland Designated Activity Company is shown in Appendix C below.

Sub-Fund Background: Irish With-Profits Fund

Norwich Union Life Insurance Society was founded as a mutual company, owned by its with-profits policyholders, in Norwich, England, in 1808.

On 15 June 1997 the company 'demutualised' to form Norwich Union Life & Pensions Limited (NULAP), a company owned by shareholders.

When Norwich Union demutualised any Irish business written in the Norwich Union Ireland branch was transferred to an Irish company, Norwich Union Life Insurance Ireland Limited (NULIIL).

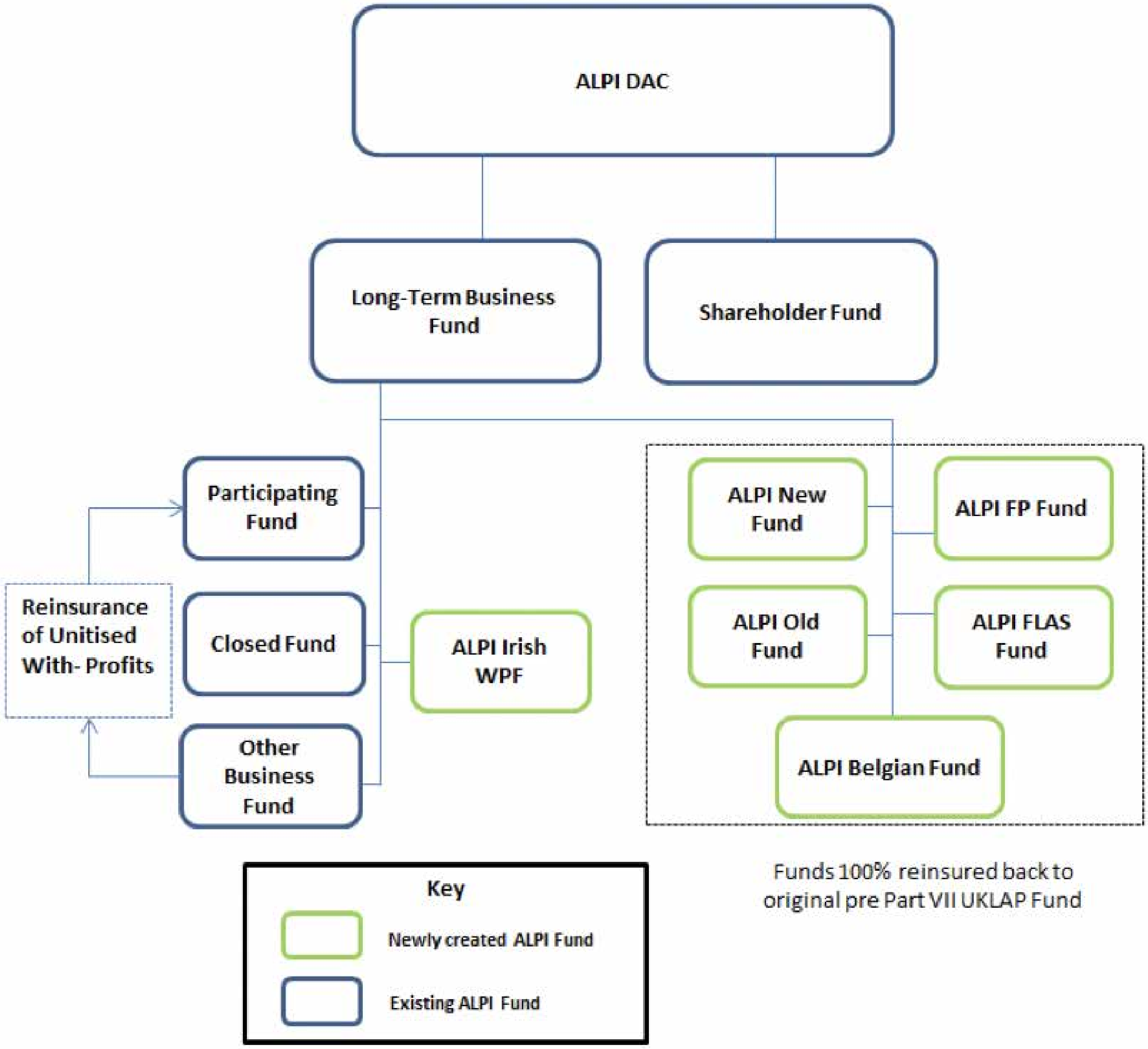
In 2000, Norwich Union plc (which owned NULAP) merged with CGU plc. CGU plc wrote life insurance business (but not with-profits business) in Ireland via its subsidiary company Hibernian Life Limited.

NULIIL was renamed Hibernian Life & Pensions Ltd on 2 October 2000 and a transfer of business took place which transferred all the assets and liabilities from Hibernian Life to Hibernian Life & Pensions on 1 January 2001. In 2010, Hibernian Life & Pensions was renamed Hibernian Aviva Life and Pensions which was subsequently renamed Aviva Life and Pensions Ireland Limited.

On 1 January 2015, all the business of Aviva Life & Pensions Ireland Limited was transferred into Aviva Life & Pensions UK Limited and a separate sub-fund was established for the former with-profits business of Aviva Life & Pensions Ireland Limited, the Irish With-Profits Sub-Fund.

Under a Scheme approved by the High Court of England and Wales, on 29 March 2019 certain business, including the Irish With-Profits Sub-Fund, was transferred into the Company from Aviva Life & Pensions UK Limited. The transferred business comprised all the EEA (non UK) business targeted exclusively to local nationals resident within their home country, under local laws and regulations, and sold under Freedom of Services or Freedom of Establishment.

Appendix C: Aviva Life & Pensions Ireland Designated Activity Company – Fund structure chart



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