

CORPORATE GOVERNANCE REPORT

Aviva Ltd (the “Company”) is committed to high standards of corporate governance in its business operations and dealings with all stakeholders, including policyholders. This report describes the Company’s approach to corporate governance.

Board’s Conduct of Affairs

Board Responsibility and Accountability

The primary function of the Board is to provide entrepreneurial leadership and direction within a framework of prudent and effective controls which enable risks to be assessed and managed. The Board is responsible for organizing and directing the affairs of the Company in a manner that is most likely to promote the success of the Company for the benefit of its shareholders and in a way, which is consistent with its constitution, applicable regulatory requirements and current corporate governance practice.

The respective terms of reference of the Board and the Committees give clear guidelines on matters which require the Board’s or Committees’ approval, as well as matters for which the Board or Committees must be informed on a regular basis.

Board Committees

The Board has established a separate Audit Committee (“AC”), Risk Committee (“RC”), Digital and Technology Committee (“DTC”), Nominating Committee (“NC”) and Remuneration Committee (“RemCo”) with clear written terms of reference, to assist it in carrying out more effectively its oversight of the operations and business affairs of the Company.

The Board Committees are also actively engaged in assisting the Board to ensure compliance with good corporate governance practices by the Company.

Board/Committee Meetings and Attendance

The Board and Board Committees meet at least four times a year to review executive officers’ and business performances, key activities and to consider business proposals of a significant nature. At the request of any director, the Secretary may call an additional Board or Board Committee meeting as and when necessary. The table below sets out the number of meetings of the Board and Board Committees held by the Company and attended by each director throughout 2020.

Board/Committee Meetings**** and Attendance	Board Meetings (includes ad-hoc meetings)	Audit Committee Meetings	Risk Committee Meetings
Number of meetings held in 2020	8	4	4
Chairman			
Raymond Ferguson**	1		
Christopher Brian Wei*	7	-	-

Deputy Chairman and Executive Director			
Walter de Oude**	1	-	-
Chief Executive Officer			
Nishit Piyush Majmudar	8	-	-
Non-Executive Director			
Lim Sook Mee*	7	4	4
Foong Hah Soo*	7	4	4
Justin Paul Breheny	8	4	4
Dominic John Picone**	1	-	-
Chetan Singh**	1	-	-
Kenji Yoneda***	1	-	-
David Gelber**	1	-	-
Maya Hari***	1	-	-
Shirish Moreshwar Apte***	1	-	-
Serena Tan Mei Shwen***	1	-	-
Dr Teh Kok Peng***	1	-	-
Dr Nirmala Menon Y B Menon***	1	-	-

*ceased directorship on 30 November 2020

** appointed on 12 November 2020

*** appointed on 30 November 2020

**** No NC, DTC and RemCo meetings were held in 2020. Up to 29 November 2020, the responsibilities of the NC and RemCo were assumed by the Board of Directors

Board Composition and Independence

The Board conducts a review and determines the independence of its directors on an annual basis. Under the Insurance (Corporate Governance) Regulations (the “Regulations”) and Guidelines on Corporate Governance For Financial Holding Companies, Banks, Direct Insurers, Reinsurers and Captive Insurers (the “Guidelines”), an independent director in the Company is one who is (i) independent from management; (ii) does not have any business relationships with the Company and the substantial shareholders of the Company; and (iii) has not served for more than nine years on the Board.

As at the date of this report, the Board of Directors comprises:

Mr Raymond Ferguson (Chairman and Independent Non-Executive Director)
 Mr Walter de Oude (Deputy Chairman and Executive Director)
 Mr Nishit Piyush Majmudar (Chief Executive Officer and Executive Director)
 Mr Dominic John Picone (Non-Executive Director)
 Mr Chetan Singh (Non-Executive Director)
 Mr Kenji Yoneda (Non-Executive Director)
 Mr David Gelber (Non-Executive Director)
 Ms Maya Hari (Independent, Non-Executive Director)
 Mr Shirish Moreshwar Apte (Independent, Non-Executive Director)
 Ms Serena Tan Mei Shwen (Independent, Non-Executive Director)
 Dr Teh Kok Peng (Independent, Non-Executive Director)

Dato' Dr Nirmala Menon YB Menon (Independent, Non-Executive Director)
Mr Justin Paul Breheny (Independent, Non-Executive Director)

Mr Raymond Ferguson, Ms Maya Hari, Mr Shirish Moreshwar Apte, Ms Serena Tan Mei Shwen, Dr Teh Kok Peng, Dato' Dr Nirmala Menon Y B Menon and Mr Justin Paul Breheny are independent directors.

The directors bring a wide range of commercial and financial experience to the Board. Together, they possess a wide spectrum of experience and competencies in finance, business/management, actuarial science and strategy. The non-executive directors constructively challenge and help develop the Company's strategy and review business performance including the performance of senior management against the agreed goals and objectives.

Chairman and CEO

The roles and responsibilities of the Chairman and CEO are separate and distinct and are set out in the Board approved Terms of Reference.

The Chairman is an independent director responsible for the leadership of the Board, the management of Board meetings and the business undertaken at the Board meetings. His principal responsibilities include approving the agenda of the Board, monitoring the quality and timeliness of the flow of information to the Board, and promoting effective communication and constructive relationships between the Board and senior management.

The CEO is an executive director responsible for the overall management of the Company and the implementation of the Company's strategies and plans, as well as oversight of the day-to-day operations of the Company. He is assisted by senior management, which comprises the Senior Leadership Team, in the execution of these responsibilities.

The Board has not appointed a lead independent director as the Chairman and the CEO are separate individuals. Although the Board does not have a lead independent director, the independent directors make up more than half of the Board. As such, the Board is satisfied that there is a strong independent element to contribute to effective decision making in the best interests of the Company. The independent directors are and continue to be available to shareholders as a channel of communication between shareholders and the Board and/or senior management.

Board Membership

Process for Appointment of New Directors

The Company has established the NC to make recommendations to the Board on all appointments. The NC comprises Mr Raymond Ferguson (Chairman), Ms Serena Tan Mei Shwen, Ms Maya Hari, Mr Dominic John Picone and Mr Walter de Oude. A majority of the NC members, including the Chairman are Independent Directors.

The NC identifies candidates and reviews nominations for appointment or re-

appointment and determining the criteria applied in identifying a candidate. The NC reviews and considers the appointment and resignation of directors, CEO, CFO, CRO, Appointed Actuary and Certifying Actuary and other Senior Management candidates as defined by its Terms of Reference.

The NC evaluates the balance of skills, knowledge and experience of the Board and Senior Management and identifies the roles and capabilities required, taking into account the environment in which the Company operates. All directors shall fulfill the fit and proper criteria in accordance with the Insurance (Corporate Governance) Regulations 2013 and the Guidelines.

The NC conducts annual assessment of the independence of directors and determines whether each director remains qualified for office. Directors may serve on a number of other Boards, if they are able to demonstrate satisfactory time commitment to their roles at the Company.

The NC is also responsible for the oversight of talent development throughout the Company, including a sufficient pipeline of talent available to achieve the Company's current and future strategy.

Induction

Newly appointed directors are provided with induction program covering an overview of the Company, its structure and principal activities.

All directors are issued with the Board Terms of Reference and are expected to be familiar with the terms and the corporate governance principles applicable to the Company.

Continuous Professional Development

There is a continuous professional training program for all directors to ensure that they are equipped with the appropriate skills and knowledge to perform their roles on the Board and the board committees effectively.

Throughout their tenure in office, directors are also regularly updated on the Company's businesses and the regulatory and industry specific environment in which the Company operates.

Board Performance

Evaluations of the Board are conducted annually. Each director will evaluate the Board's performance and its board committees, the contribution by the Chairman and hold to account.

Access to Information

Directors have direct access to the Company Secretary and to senior management at all times. The Company Secretary attends all Board meetings and prepares minutes of Board proceedings.

Under the Board Terms of Reference, directors have the right to seek independent professional advice as and when necessary to enable them to discharge their duties

effectively.

Remuneration

The RemCo makes recommendation to the Board on the overall remuneration policy for the Company and the employment, remuneration, rewards and benefits for Senior Management and material employees. The RemCo comprises Dr Teh Kok Peng (Chairman), Ms Serena Tan Mei Shwen, Mr Dominic John Picone, Ms Maya Hari, Mr Chetan Singh, Mr Raymond Ferguson, and Mr Kenji Yoneda. The majority of the RemCo, members including the Chairman are Independent Directors.

Development of Policies

In assuming its responsibility, the RemCo approves the remuneration framework for executive officers as developed by the Company. The RemCo also endorses the remuneration packages for independent directors.

Executive Officers and Independent Directors Remuneration

The remuneration framework for executive officers, including the CEO, is formulated to ensure that they are compensated in line with the performance of the individual officers and the Company. It is designed to incentivize the achievement of our short to mid-term business plans and the Company's long-term strategic goals, underpinned by the Company's Purpose and Values, all within a framework of prudent and responsible risk management. The executive officers are expected to achieve both financial and non-financial outcomes as set with the Board every year.

The Company regularly benchmarks its executive officers' management remuneration to make sure they are competitive, consistent with wider market practices and compliant with local regulations. Executive officer's remuneration for the performance year 2020 comprises fixed base pay, transport allowance, variable Annual Bonus Plan and discretionary Restricted Share Units.

The independent directors are paid directors' fees which are reviewed regularly. Considerations such as the director's effort, time spent, and responsibilities are taken into account during the review.

Disclosure on Remuneration

After careful consideration, the Company has decided not to disclose information on the remuneration of executive officers and independent directors. We are of the view that the disadvantages to the Company's-business interests would far outweigh the benefits of such disclosure, in view of the disparities in remuneration in the industry and the competitive pressures that are likely to result from such disclosure.

Accountability

The Company recognizes the importance of providing the Board with accurate and relevant information on a timely basis. It provides financial and business updates on the performance and position of the Company to the Board on a quarterly basis, as well as

any significant events which have occurred or affected the Company during the year.

Risk Management and Internal Controls

The Board is responsible for promoting the long-term success of the Company for the benefit of shareholders, as well as other stakeholders including employees and customers. This includes ensuring that an appropriate system of risk governance is in place throughout the Company. To discharge this responsibility, the Board has established frameworks for risk management and internal control using a 'three lines of defence' model and reserves for itself the setting of the Company's risk appetite.

In-depth monitoring of the establishment and operation of prudent and effective controls in order to assess and manage risks associated with the Company's operations is delegated to the Risk Committee which report regularly to the Board. However, the Board retains ultimate responsibility for the Company's systems of risk management and internal control and has reviewed their effectiveness for the year.

A robust assessment was conducted by the Board Risk Committee of the key and emerging risks facing the Company, including those that would threaten its business model, strategy, future performance, solvency and liquidity.

The frameworks for risk management and internal control play a key role in the management of risks that may impact the fulfilment of the Board's objectives. They are designed to identify and manage, rather than eliminate, the risk of Aviva failing to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or losses. These frameworks which are regularly reviewed by the Board were in place for the financial year under review.

Based on internal controls established and maintained by the Company, independent assessments performed by internal and external auditors, and reviews performed by management and various board committees (the Risk Committee and Audit Committee), the Board is of the view that the internal controls and risk management systems currently in place were adequate as at 31 December 2020. The Board has received assurance from the CEO and the CFO that the Company's risk management and internal control systems are effective, the financial records of the Company have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances.

Risk Management

The Company seeks to optimise its performance subject to remaining within risk appetite and meeting the expectations of stakeholders, employees and customers. This is achieved by embedding rigorous and consistent risk management across the Group. This risk management framework ("RMF") which is approved by the Board outlines the Group's risk strategy, risk policy and principles, risk appetite, culture, governance arrangements and enterprise-wide approach to managing risks. These include how the Group and its businesses identify, measure, manage, monitor and report on the risks to which it is, or could be, exposed. In addition, the RMF provides the accountabilities of management, the Risk & Compliance Function and Internal Audit as regards to enterprise-wide risk

management.

Risk Appetite

The Company's risk appetite is reviewed annually and approved by the Board. It outlines the type of risks that the Company selects and manages in the pursuit of return, the risks it accepts but seeks to minimise, and the risks that it aims to avoid or transfer away.

Material risks are retained where this is consistent with the Company's risk appetite framework and its philosophy towards risk-taking. The Company's current approach is to accept risk where it believes it can manage well and generate adequate return from and/or where it can control the risk within appetite with effective operational controls.

Risk Management Processes

The Company has a robust risk management process, which enables it to identify, measure, monitor, manage and report on key and emerging risks which may impact the business strategy, achievement of financial targets, solvency position, liquidity, regulatory and reputational risks.

The risk management framework is supported by a set of business standards, which set out the desired business outcomes expected for each core business process and the minimum internal controls requirements associated with each process.

Risk-Based Decision Making

For all material business propositions, the business owners must identify and document the key risks and risk mitigating actions and assess the residual risk exposure against the risk appetite. All material business propositions must be supported by an independent CRO opinion to the Board for decision making. Examples of material business propositions include business acquisitions, new distribution arrangement, changes to reinsurance strategy, changes to the strategic asset allocation, material outsourcing arrangement and major IT changes initiatives.

Risk Culture

Our culture underpins all aspects of the risk management framework. The effectiveness of risk management and internal control depend on the judgements, decisions and actions of our people. Their judgements, decisions and actions are shaped by our values and culture as much as the strategies, policies, tools, governance arrangements and processes defined in this framework. The Board requires management to maintain a healthy and sustainable risk culture which helps our employees live good risk management day to day, driving decisions that appropriately balance risk and reward, and ensuring that good customer outcomes are achieved. All employees have risk and control goals included in their individual annual performance goals

Risk & Control Function

The Company has a Risk & Compliance Function whose role is to support the business to develop fit-for-purpose risk management processes and systems, provide review and challenge on the adequacy of risk management and controls and provide independent risk opinion to support decision making. The Risk & Compliance Function ensures that all key

risks are captured in the enterprise risk register and monitors the key risk positions against the approved risk appetite. The CRO provides an independent risk report to Board Risk Committee (BRC) on a quarterly basis.

Risk Committee (“RC”)

As of 31 December 2019, the RC comprises Mr Justin Paul Breheny (Chairman), Mr Dominic John Picone, Dato’ Dr Nirmala Menon YB Menon, Mr Kenji Yoneda and Mr Shirish Apte. The majority of the RC members, including the Chairman are independent directors.

The RC is responsible for assisting the Board in its oversight of risk, reviewing the Company’s risk appetite and risk profile, the effectiveness of the Company’s risk management framework, the adequacy of the Company’s capital and liquidity position based on current and stress test scenarios, ensuring due diligence appraisals are carried out on strategic or significant transactions, and monitoring the Company’s regulatory requirements.

The RC also considers the appointment or resignation of the Chief Risk Officer (“CRO”) prior to putting its recommendation to the Board and to participate jointly with the CEO in the determination of the objectives of the CRO and the evaluation of his/her overall performance and levels of achievement.

The RC reports directly to the Board. The risk management function is led by the CRO who also reports regularly to the RC and the Board.

Internal Controls

The Company has in place a robust operational risk and control framework, which includes the conduct of regular self-assessment of key operational risks and controls. The framework ensures clear senior management ownership and accountability of identified risks and key controls across all core business functions. Regular reports on the control environment are presented to the Audit Committee for review by line management. In addition, the Company has in place a compliance framework that ensures ownership and compliance with regulatory obligations. A review of the effectiveness of controls is carried out by internal and external auditors, with recommendations provided to the Audit Committee. In turn, the Audit Committee provides oversight over processes developed to address these recommendations in a timely manner.

The Audit Committee believes that the system of internal controls (which covers financial, operational, compliance and information technology controls) and risk management systems provide adequate assurance against material financial, operational and compliance risks for this financial year.

Audit Committee (“AC”)

The AC comprises Mr Shirish Apte (Chairman), Mr Justin Paul Breheny, Dato Dr Nirmala Menon YB Menon , Ms Serena Tan Mei Shwen, Mr David Gelber and Mr Kenji Yoneda. The AC members, including the Chairman are independent directors.

The AC, working closely with the RC, is responsible for monitoring the integrity of the Company's financial statements and the effectiveness of the systems of internal control and for monitoring the effectiveness, performance, independence and objectivity of the internal and external auditors.

The AC also makes recommendations to the Board on the appointment, re-appointment, terms of engagement and remuneration of the external auditor. It also reviews and monitors the independence and objectivity of external auditor.

For 2020, the aggregate amount of fees, including those relating to non-audit services, paid to the external auditors was not significant. The AC has reviewed the volume and nature of non-audit services provided by the external auditors during the year and is satisfied that their independence and objectivity have not been impaired by the provision of those services.

Prior to the AC meeting, the AC meets with either the internal or external auditors without the presence of the Management. The meetings enable the internal and external auditors to raise issues encountered in the course of their work directly to the AC.

The Company has instituted an independent confidential helpline to support the company's whistle-blowing policy. Employees may, in confidence, raise concerns about possible improprieties, whether in financial reporting or other matters. The AC oversees and monitors the implementation of policies or procedures.

Internal Audit

The internal audit function ("IAD") is a group-wide function reporting to the AC Chair. The Head of Internal Audit is responsible for overseeing the Internal Audit function for the Company, and is responsible for all Internal Audit matters relevant to the Company.

The IAD's purpose is to help the Board, AC and senior management to protect the assets, reputation and sustainability of the Company by providing independent and objective assurance designed to add value and improve the Company's operations. IAD does this by assessing whether all significant risks are identified and appropriately reported by senior management and the risk management function to the Board and AC; assessing whether they are adequately managed; and by challenging senior management to improve the effectiveness of governance, risk management and internal controls. IAD adopts a risk-based approach where audit work is prioritised and scoped according to an assessment of risk exposures, including not only financial risks, but operational, technology, compliance and strategic risks.

It also includes making objective and appropriate recommendations to improve the entity's control environment and to assist the business in achieving its strategies. IAD has unfettered access to the AC, Board and senior management of all entities, including the Company as well as the right to seek information and explanations.

In carrying out its audits, IAD conforms with IIA's International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing,

the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the Definition of Internal Auditing. Consideration is also made to the legal and regulatory requirements relevant to the Company. IAD undertakes its work in accordance with the approved audit methodology to ensure effective audit work is carried out.

The appointment, remuneration, resignation or dismissal of the Head of Internal Audit is performed via consultation with the AC. On an annual basis, IAD will prepare and present the audit plan to the AC for approval.

Shareholder Communication

The Company recognises that regular, effective, timely and fair communication with its shareholder is essential to enable the shareholder to make informed decisions about the Company. The Company ensures that timely and adequate disclosures of material information on the Company are available to its shareholder.

The Board of Directors of the Company decides whether dividends are to be paid to the shareholder, after taking into consideration the capital required for the execution of Company's business plan.

Related Party Transactions

Policies on related party transactions are established across all Aviva Singlife entities including the Company. Material transactions are disclosed in Note 25 of the Financial Statements.

All related party transactions are conducted on reasonable commercial terms and carried out on an arm's length basis. Directors with conflicts of interest are excluded from the approval process of granting and managing related party transactions. Material related party transactions are reported to the AC for review and to the Board for approval.

Date: 4 June 2021