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17 January 2019

Dear Sirs

Update to the Supplementary Report by Simon Sheaf FIA, FSAI, Independent Actuary, on the Proposed Transfer of a Portfolio of Policies from Aviva Insurance Limited to Aviva Insurance Ireland DAC

Aviva Insurance Limited ("AIL") and Aviva Insurance Ireland Designated Activity Company ("AIIDAC") have jointly nominated Simon Sheaf ("I", "me") of Grant Thornton UK LLP ("Grant Thornton", "we", "us") to act as the Independent Expert for the proposed insurance business transfer scheme ("the Scheme") of elements of the insurance business of AIL to AIIDAC. The Scheme is intended to be effected on 00:01 on Friday 1 February 2019.

I prepared a report addressed to the Court of Session in Scotland ("the Court") dated 23 August 2018 and entitled "Report by Simon Sheaf FIA FSAI, Independent Expert, on the Proposed Transfer of a Portfolio of Policies from Aviva Insurance Limited to Aviva Insurance Ireland Designated Activity Company" ("the Report"). The Report set out my considerations as to the likely effects of the proposed Scheme on the policyholders of AIL and AIIDAC. This included my assessment as to whether the Scheme will result in material detriment to any policyholders affected by the Scheme relative to their current situation.

Chartered Accountants

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I prepared a supplementary report dated 4 January 2019 and entitled "Supplementary Report by Simon Sheaf FIA FSAI, Independent Expert, on the Proposed Transfer of a Portfolio of Policies from Aviva Insurance Limited to Aviva Insurance Ireland Designated Activity Company" ("the Supplementary Report"). The Supplementary Report considered additional information received and changes that had occurred between the dates on which the Report and the Supplementary Report were signed. It provided an update to the conclusions set out in the Report in the light of that updated information and those changes. In addition, the Supplementary Report considered the communications received from policyholders and other interested parties of AIL and AIIDAC and, in particular, provided my opinion on objections received.

Since the date on which the Supplementary Report was signed, I understand from AIL that two further objections have been raised.

One objection was received on 12 January 2019 from a policyholder with Mobile Device Insurance. This policyholder asked to cancel their policy as they will not be eligible for protection under FSCS.

I understand from AIL that it has replied to the policyholder to confirm that it has passed on the information to the policyholder's insurance provider who will get in touch to confirm the cancellation. I also understand from AIL that it has referred the policyholder to paragraph 10.38 of my Report where I state my opinion that AIIDAC will be sufficiently capitalised following the Scheme. It is therefore unlikely that AIIDAC will experience financial difficulties that result in the transferring policyholders requiring access to the FSCS.

I agree with AIL's response to this policyholder and I am therefore satisfied that this objection gives me no reason to change my conclusions from those in the Report and in the Supplementary Report.

AIL has confirmed to me that this policy has subsequently been cancelled.

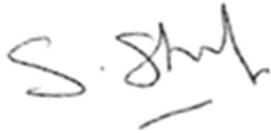
The other objection was also received on 12 January 2019 and was from another policyholder with Mobile Device Insurance. This policyholder expressed concern that they may be left without insurance and expressed that they would prefer to be reimbursed the premium.

I understand from AIL that it has replied to the policyholder to confirm that it has passed on the information to the policyholder's insurance provider who will get in touch to confirm the cancellation. It is not entirely clear to me what the policyholder is referring to in their expression of concern about loss of insurance cover. However, I discuss the security of AIIDAC in detail in the Report and conclude in paragraph 9.36 that the likelihood of AIIDAC encountering significant financial difficulty is remote and that, as a result, I do not expect the scheme to have a material adverse impact on the security of the transferring policyholders. I am therefore satisfied that this objection gives me no reason to change my conclusions from those in the Report and in the Supplementary Report.

AIL has confirmed to me that this policy has subsequently been cancelled.

It follows from the above that, having considered the two additional objections received, I have no reason to change the conclusions contained in the Report and the Supplementary Report.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. Sheaf', with a horizontal line underneath.

Simon Sheaf
Head of General Insurance Actuarial and Risk
Grant Thornton UK LLP