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Mr Chris Hodge
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Dear Mr Hodge

FRC Consultation Document: Gender Diversity on Boards

As the largest insurer in the UK and the owner of Aviva Investors, a global asset management business, Aviva plc (Aviva) welcomes the opportunity to respond to this Consultation Document on gender diversity on boards.

Aviva believes that good governance and strong, responsible and balanced leadership by the board is critical to creating long term shareholder value. The Aviva board currently includes three female non-executive directors and the Aviva Executive Committee has two female members. The Aviva General Counsel and Company Secretary is also a woman, and is a further example of Aviva embedding its diversity agenda at senior levels.

A. Possible changes to the UK Corporate Governance Code

1. The FRC welcomes views on whether further changes to the Code are needed in order to achieve more diverse and more effective boards.

In view of the slow rate of progress in the UK in recent years and the results from countries where gender diversity in board composition has been mandatory, an explicit disclosure requirement around diversity policy and objectives is needed to focus boards' attention on the issue and to ensure that UK companies benefit from greater gender diversity in the boardroom. We would therefore support further changes to the Code.

2. If changes are needed to the Code what should these changes be? The FRC proposes to amend Provision B.2.4 which concerns the report of the nomination committee. The FRC welcomes views on this wording.

The suggested FRC amendments accurately reflect the recommendations in the Davies Report without imposing a heavy administrative burden on companies and in addition will allow companies flexibility in complying with the principle.

3. The Report recommends that there should be more disclosure about the company's appointment process and how it addresses diversity in the company's Annual Report including a description of the search and nominations process. The FRC does not consider that this recommendation requires a change to the Code but welcomes views on whether further guidance on the key elements to be covered by a gender diversity policy would be helpful.

Aviva agrees with the FRC that this recommendation does not require a change to the Code. However, we would welcome guidance on the key elements to be covered by a gender diversity policy, in so far as such guidance takes into account the varied nature of companies subject to the Code, and the markets in which they operate, and does not stifle creativity in achieving board diversity.

4. The FRC believes that were changes to be made to provision B2.4 to be made, consideration could be given to adding a new supporting principle to Principle B.6 (on board evaluation). The FRC welcomes views on whether a new supporting principle is desirable and if so on the proposed wording.

Aviva supports the addition of a new supporting principle on board evaluation and the proposed wording.

B. The timing of any changes to the Code

5. The FRC welcomes views on if changes are made to the Code, when these should come into effect.

Given the already extensive financial reporting requirements on companies and the new Code, Aviva would support suggested option 3, which states that the Code would apply to accounting periods beginning on or after 29 June 2012, which would mean that companies would not be required to report against the revised Code until 2013. However, Aviva would consider reporting voluntarily in 2012.

Aviva would be happy to discuss any of the issues raised above in more detail.

Yours sincerely



Kristy Cooper
General Counsel and Group Company Secretary