

Section 430(2B) Companies Act 2006 Statement

The following information is provided in accordance with section 430(2B) of the Companies Act 2006 by Direct Line Insurance Group plc (the “**Company**”).

Further to today’s announcement, Penny James has stepped down as Chief Executive Officer and Executive Director with immediate effect. Penny James will work closely with the Board to assist with the process of transition until 28 February 2023 and her employment with DL Insurance Services Limited is intended to end on this date.

Salary, pension and benefits

Penny James’s contractual salary, pension and benefits will be paid in the normal way for the duration of the handover period. Penny James will then be paid an amount equivalent to salary, pension and benefits in monthly instalments in lieu of the remainder of her contractual notice period, and such amount will be subject to reduction to take account of any sums earned during the payment period in any new role that Penny James begins.

Penny James will receive a payment in lieu of any accrued but untaken holiday up to the end of her employment.

Incentives

Penny James will not receive a bonus under the Company’s Annual Incentive Plan in respect of the financial year ended 31 December 2022, and will not be eligible for a bonus under the Company’s Annual Incentive Plan in respect of the financial year ended 31 December 2023.

Awards under the Company’s Deferred Annual Incentive Plan in 2020, 2021 and 2022 will continue to vest on the third anniversaries of award and remain subject to all scheme rules, including malus and clawback provisions. Awards will be exercisable for 12 months after they vest.

Awards under the Company’s 2012 Long-Term Incentive Plan (“2012 LTIP”) made in 2018 and 2019, which are currently in a two-year holding period, will continue to be subject to the holding period, and will then be exercisable for a period of 12 months. These awards will remain subject to all scheme rules, including malus and clawback provisions.

All other awards granted under the 2012 LTIP and the Company’s 2020 Long-Term Incentive Plan (“2020 LTIP”) in March and September 2020, 2021 and 2022 will lapse on cessation of Penny James’s employment with the Company. No further awards under the 2020 LTIP will be made to Penny James.

Share Ownership Guideline

Penny James will maintain a shareholding of 250% of salary for a period of two years after she has left her employment, with the number of shares to be held in order to comply with these requirements being fixed as at the date of termination of her employment.

Outplacement and legal costs

DL Insurance Services Limited will cover the reasonable costs of outplacement support up to £50,000 (excluding VAT but including all disbursements) and will contribute up to £13,750 (excluding VAT but including all disbursements) towards legal fees incurred by Penny James for advice in connection with the termination of her employment.