



Direct Line Insurance Group plc

Notice of Annual General Meeting to be held on Thursday, 13 May 2021

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the proposals referred to in this document or as to the action you should take, you should seek your own advice from a stockbroker, solicitor, accountant, or other professional adviser.

If you have sold or transferred all of your shares in Direct Line Insurance Group plc (the "Company"), you should pass this Notice of Annual General Meeting (the "Notice") and accompanying documents (except any personalised form of proxy) to the purchaser or transferee, or to the person who arranged the sale or transfer so they can pass these documents to the person who now holds the shares.

In running the Company's 2021 Annual General Meeting, the Board's priority remains to safeguard the wellbeing of our colleagues, shareholders and wider communities and we will take all necessary and appropriate precautions to ensure their safety. Given HM Government's current Covid-19 guidance, the Board is asking that shareholders do not attend the meeting's physical venue this year. Instead, shareholders are strongly encouraged to make use of the electronic facilities on offer to participate in the AGM remotely.

This page is left intentionally blank.

CONTENTS

4	Letter from the Chair
6	Notice of Annual General Meeting
9	General Notes
11	The Business of the Annual General Meeting
18	Shareholder Information

Direct Line Insurance Group plc

LETTER FROM THE CHAIR

6 April 2021

Dear Shareholder,

Annual General Meeting (“AGM”)

I am pleased to enclose the Notice of Meeting for the Company’s 2021 AGM (the “Notice”). The AGM will be held at, and broadcast from, the offices of the Company, at Churchill Court, Westmoreland Road, Bromley, BR1 1DP, on 13 May 2021 at 11.00 a.m., with facilities to attend electronically.

For the reasons given below, shareholders are strongly advised not to attend the venue in person and, instead, to join by electronic means, as your Directors will be doing.

The Notice sets out the resolutions to be proposed, together with explanatory notes and general notes for shareholders who wish to give proxy voting instructions electronically or by post. Proxy appointment forms are also enclosed. If you have requested a printed copy of the Company’s annual report and accounts for the year ended 31 December 2020 (the “Annual Report & Accounts”), it has been included in this pack. If you asked to receive the Annual Report & Accounts electronically or did not return the election card previously sent to you, please accept this letter as notification that the Company’s Annual Report & Accounts have now been published in the Investor section of our website: www.directlinegroup.co.uk/en/investors.

Covid-19 restrictions and electronic attendance arrangements

Further to the stay at home measures that affected the 2020 AGM, we continue to monitor the impact that the Covid-19 pandemic is having on public gatherings and the guidance and directions provided by HM Government and public health advisers. The Board’s priority is to safeguard the wellbeing of our colleagues, shareholders and wider communities and we will take all necessary and appropriate precautions to ensure their safety. Our current expectation is that restrictions on public gatherings will remain in place on the date of the AGM and the Board has, therefore, taken the decision to ask shareholders not to attend the meeting’s physical venue this year. Instead, recognising the importance of the AGM as an opportunity to engage with our shareholders, the Company will be enabling all shareholders to attend and participate in the meeting electronically, should they wish to do so. Information on how to access the meeting is on pages 19 to 21.

The Company strongly encourages shareholders to submit any questions they would like to have answered at the AGM by emailing them to ShareholderEnquiries@directlinegroup.co.uk in advance. You will also be able to submit questions during the meeting via www.web.lumiagm.com. In case it is not possible to answer a question submitted prior to or during the AGM (for example, due to time constraints), the Directors will endeavour, where appropriate, to answer such questions by publishing responses on the Company’s website at www.directlinegroup.co.uk as soon as practicable following the AGM. A full transcript of presentations at the meeting will also be uploaded.

Shareholders attending the AGM electronically will be able to vote during the meeting as explained in the user guide on page 21. Shareholders who would prefer to vote in advance are encouraged to appoint the Chair of the Meeting as proxy, with voting instructions. Shareholders can submit their proxy forms online or send them by post to our registrar, Computershare Services PLC. Voting at the AGM will be on a poll and will reflect all proxy voting instructions duly received. Please note that the deadline for appointing a proxy is 11:00 a.m. on 11 May 2021.

Election and re-election of Directors

All of the Directors are standing for re-election at this year’s AGM, except for Adrian Joseph and Jane Hanson. Adrian is standing for election by shareholders for the first time; and, as announced on 21 December 2020, Jane will be stepping down as a Director at the conclusion of the AGM. On behalf of shareholders, the Board and all employees, I would like to thank Jane for her service over the last 9 years. Biographical details of all the Directors standing for election or re-election are provided in the explanatory notes to the relevant resolutions, and in the Annual Report & Accounts. The Board has assessed the performance and time commitments of all the Directors and recommends that shareholders vote in favour of those resolutions.

Final dividend

You will see in resolution 3 in the Notice that the Board is recommending a final dividend for the year ended 31 December 2020 of 14.7 pence per share, which, subject to approval by shareholders, will become due and payable on 20 May 2021 to shareholders named on the Register of Members at the close of business on 9 April 2021, provided that the Board may cancel the dividend and therefore payment of the dividend at any time prior to payment, if it considers it necessary to do so for regulatory capital purposes.

Authority to purchase shares and share buyback

In our Preliminary Results, we announced the intention to use the authority granted at the 2020 AGM to purchase the Company's own shares up to £100 million in value. An initial tranche of up to £50 million commenced on 9 March 2021 and is expected to be completed before the announcement of our 2021 half year results. In order to retain flexibility in the management of the Company's capital base, we are asking shareholders to renew this authority for the Company to purchase its own shares.

The business we shall consider at the AGM

The resolutions are standard matters that are normally dealt with at a listed company's AGM, except resolutions 21 and 22 which are designed to provide additional flexibility to the Company in managing and raising capital.

Authority to issue restricted Tier 1 Capital Instruments (Resolutions 21 and 22)

Shareholders will recall that for the last four years we have requested shareholder approval for the Company to issue restricted tier 1 capital instruments compliant with the prudential regime applicable to the Company ("RT1 Instruments"). In December 2017 the Directors used the authority granted at the 2017 AGM for the issue of RT1 Instruments with a nominal value of £350 million. Since 2017, the Directors have not used the authority granted at subsequent AGMs held to date.

The 2020 authority expires at the end of this AGM and we are seeking revised authorities (in resolutions 21 and 22) to allow the Company to have continued flexibility to issue further RT1 Instruments to manage and maintain its and the Group's capital more effectively. Capital sourced in this way contributes towards the Group's prudential capital requirements.

A key feature of RT1 Instruments is that they would automatically convert into shares (1) if at any time the amount of relevant Own Funds Items were to fall below the level necessary to exceed (a) any relevant Minimum Capital Requirement or (b) 75% of any relevant Solvency Capital Requirement or (2) if we were to breach any relevant Solvency Capital Requirement and fail to remedy that breach within three months. If one of those triggers were to occur, the £350 million RT1 Instruments we issued in December 2017 would convert into approximately 137 million shares (based on the current conversion price).

Your vote counts

Your vote is important to us. Whether or not you intend to join us electronically for the AGM, you can vote by submitting your proxy instruction online or by signing and returning your proxy form. Voting instructions are set out in the notes on pages 9 and 18. The voting results will be announced to the London Stock Exchange and published on our website at www.directlinegroup.co.uk/en/investors/regulatory-news following the conclusion of the meeting.

Recommendation

Your Board of Directors believes the resolutions to be proposed at the AGM will promote the success of the Company and are in the best interests of the Company and its shareholders as a whole. The Directors unanimously recommend you vote in favour of them, as they intend to do in respect of their own beneficial shareholdings.



Danuta Gray
Chair

Direct Line Insurance Group plc

NOTICE is hereby given that the Company's AGM will be held at, and broadcast from, the offices of the Company, at Churchill Court, Westmoreland Road, Bromley, BR1 1DP, at 11.00 a.m. on 13 May 2021, with facilities to attend electronically, to transact the business set out in the resolutions below.

Resolutions 1 to 16 (inclusive) and 21 will be proposed as ordinary resolutions and resolutions 17 to 20 (inclusive) and 22 will be proposed as special resolutions.

Ordinary Resolutions:

Resolution 1 – Receipt of the Report and Accounts

THAT the audited accounts of the Company for the year ended 31 December 2020 together with the Reports of the Directors and of the Auditor be and are hereby received.

Resolution 2 – Approval of the Directors' Remuneration Report

THAT the Directors' Remuneration Report set out on pages 113 to 139 of the Annual Report and Accounts be and is hereby approved.

Resolution 3 – Dividend declaration

THAT a final dividend of 14.7 pence per ordinary share be and is hereby declared payable on 20 May 2021 to shareholders named on the Register of Members at the close of business on 9 April 2021, provided that the Board may cancel the dividend and therefore payment of the dividend at any time prior to payment, if it considers it necessary to do so for regulatory capital purposes.

Resolution 4 – Re-election of Director

THAT Danuta Gray be and is hereby re-elected as a Director of the Company.

Resolution 5 – Re-election of Director

THAT Mark Gregory be and is hereby re-elected as a Director of the Company.

Resolution 6 – Re-election of Director

THAT Tim Harris be and is hereby re-elected as a Director of the Company.

Resolution 7 – Re-election of Director

THAT Penny James be and is hereby re-elected as a Director of the Company.

Resolution 8 – Re-election of Director

THAT Sebastian James be and is hereby re-elected as a Director of the Company.

Resolution 9 – Election of Director

THAT Adrian Joseph be and is hereby elected as a Director of the Company.

Resolution 10 – Re-election of Director

THAT Fiona McBain be and is hereby re-elected as a Director of the Company.

Resolution 11 – Re-election of Director

THAT Gregor Stewart be and is hereby re-elected as a Director of the Company.

Resolution 12 – Re-election of Director

THAT Richard Ward be and is hereby re-elected as a Director of the Company.

Resolution 13 – Re-appointment of the Auditor

THAT Deloitte LLP be and is hereby re-appointed as the Company's Auditor until the next AGM.

Resolution 14 – Authority to agree the Auditor's remuneration

THAT the Audit Committee of the Board be and is hereby authorised to agree the remuneration of the Auditor.

Resolution 15 – Political donations and expenditure

THAT in accordance with section 366 of the Companies Act 2006 the Company and all companies that are subsidiaries of the Company at any time during the period for which this resolution has effect are authorised to:

- a) make political donations to political parties or independent election candidates, not exceeding £100,000 in total;
- b) make political donations to political organisations other than political parties, not exceeding £100,000 in total; and
- c) incur political expenditure not exceeding £100,000 in total,

provided that the aggregate amount of any such donations and expenditure shall not exceed £100,000, during the period beginning with the date of the passing of this resolution and ending at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 30 June 2022.

For the purpose of this resolution the terms "political donations", "political parties", "independent election candidates", "political organisations" and "political expenditure" have the meanings set out in sections 363 to 365 of the Companies Act 2006.

Direct Line Insurance Group plc

NOTICE *continued*

Resolution 16 – Authority to allot new shares

THAT

- i) the Directors be authorised in accordance with article 7 of the Company's articles of association (the "Articles") and section 551 of the Companies Act 2006, to allot shares in the Company, or grant rights to subscribe for or to convert any security into shares in the Company:
 - a) up to a maximum nominal amount of £49,536,818 (such amount to be reduced by the nominal amount of any equity securities (as defined in article 8 of the Articles) allotted under paragraph b) below in excess of £49,536,818); and
 - b) comprising equity securities (as defined in article 8 of the Articles) up to a maximum nominal amount of £99,073,636 (such amount to be reduced by the nominal amount of any shares allotted or rights granted under paragraph a) above) in connection with an offer by way of a rights issue (as defined in article 8 of the Articles);
- ii) this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 30 June 2022;
- iii) all previous unutilised authorities under section 551 of the Companies Act 2006 shall cease to have effect (save to the extent that the same are exercisable pursuant to section 551(7) of the Companies Act 2006 by reason of any offer or agreement made prior to the date of this resolution which would or might require shares to be allotted or rights to be granted on or after that date); and
- iv) this authority is in addition to any authority conferred by Resolution 21 (authority to allot new shares in relation to an issue of RT1 Instruments).

Special Resolutions:

Resolution 17 – General authority to disapply pre-emption rights

THAT

- i) in accordance with article 8 of the Company's articles of association (the "Articles"), the Directors be given power to allot equity securities for cash as if section 561 of the Companies Act 2006 did not apply;
- ii) the power under paragraph i) above (other than in connection with a rights issue, as defined in article 8 of the Articles) shall be limited to the allotment of equity securities having a nominal amount not exceeding in aggregate £7,430,523; and
- iii) this authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution, or, if earlier, at the close of business on 30 June 2022.

Resolution 18 – Additional authority to disapply pre-emption rights

THAT

- i) in addition to any authority granted under Resolution 17, the Directors be given power:
 - a) subject to the passing of Resolution 16, to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash pursuant to the authority conferred on them by that resolution under section 551 of that Act; and
 - b) to allot equity securities as defined in section 560(3) of that Act (sale of treasury shares) for cash, in either case as if section 561 of that Act did not apply to the allotment or sale, but this power shall be:
 - A) limited to the allotment of equity securities up to a maximum nominal amount of £7,430,523; and
 - B) used only for the purposes of financing (or refinancing, if the authority is to be used within six months after the original transaction) a transaction which the Board of the Company determines to be an acquisition or other capital investment of a kind contemplated by the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this notice;
- ii) this power shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 30 June 2022; and
- iii) the Company may, before this power expires, make an offer or enter into an agreement, which would or might require equity securities to be allotted after it expires and the Directors may allot equity securities in pursuance of such offer or agreement as if this power had not expired.

Resolution 19 – Authority to purchase own shares

THAT, in accordance with section 701 of the Companies Act 2006, the Company be generally and unconditionally authorised to make market purchases (within the meaning of section 693(4) of the Companies Act 2006) of its ordinary shares on such terms and in such manner as the Directors of the Company may determine, subject to the following conditions:

- i) the maximum number of ordinary shares hereby authorised to be purchased shall be 136,226,250;
- ii) the minimum price (exclusive of expenses) which may be paid for an ordinary share is the nominal value of that share;
- iii) the maximum price (exclusive of expenses) which may be paid for each ordinary share is the higher of:
 - a) an amount equal to 105% of the average of the middle market quotations of an ordinary share of the Company as derived from the London Stock Exchange Daily Official List for the five business days immediately prior to the day on which the ordinary share is contracted to be purchased; and

Direct Line Insurance Group plc

NOTICE *continued*

- b) an amount equal to the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out;
- iv) the authority shall expire at the conclusion of the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 30 June 2022; and
- v) a contract or contracts to purchase ordinary shares under this authority may be made prior to the expiry of this authority and concluded in whole or in part after the expiry of this authority.

Resolution 20 – Notice period for general meetings other than an AGM

THAT a general meeting other than an annual general meeting may be called on not less than 14 clear days' notice.

Ordinary Resolution:**Resolution 21 – Authority to allot new shares in relation to an issue of RT1 Instruments**

THAT, in addition to the authority granted pursuant to Resolution 16 (authority to allot new shares), the Directors be generally and unconditionally authorised in accordance with section 551 of the Companies Act 2006 to exercise all the powers of the Company to allot ordinary shares in the Company or grant rights to subscribe for or to convert any security into shares in the Company:

- i) up to an aggregate nominal amount of £23,250,000 in relation to any issues of RT1 Instruments where the Directors consider that such an issuance of RT1 Instruments would be desirable, including in connection with, or for the purposes of, complying with or maintaining compliance with the regulatory requirements or targets applicable to the Group from time to time; and
- ii) subject to applicable law and regulation, at such allotment, subscription or conversion prices (or such maximum or minimum allotment, subscription or conversion price methodologies) as may be determined by the Directors from time to time.

Unless previously renewed, revoked or varied, the authority conferred by this resolution shall apply in addition to all other authorities under section 551 of the Companies Act 2006 until the conclusion of the next AGM of the Company after the date on which this resolution is passed or, if earlier, the close of business on 30 June 2022, but, in each case, so that the Company may make offers and enter into agreements before the authority expires which would, or might, require shares to be allotted or rights to be granted after the authority expires and the Directors of the Company may allot shares or grant such rights under such an offer or agreement as if the authority conferred hereby had not expired.

Special Resolution:**Resolution 22 – Disapplication of pre-emption rights in relation to an issue of RT1 Instruments**

THAT, subject to the passing of Resolution 21, the Directors be generally empowered, pursuant to section 570 of the Companies Act 2006, to allot equity securities (as such phrase is defined in section 560 (1) of the Companies Act 2006 and is to be interpreted in accordance with section 560(2) of the Companies Act 2006) for cash pursuant to the authority granted by Resolution 21 up to an aggregate nominal amount of £23,250,000 in relation to any issues of RT1 Instruments, free of the restriction in section 561 of the Companies Act 2006.

Unless previously renewed, revoked or varied, the power conferred by this resolution shall apply until the conclusion of the next AGM of the Company after the date on which this resolution is passed or, if earlier, the close of business on 30 June 2022, but, in each case, so that the Company may make offers and enter into agreements before the power expires which would, or might, require equity securities to be allotted after the power expires and the Directors may allot equity securities under such an offer or agreement as if the power conferred hereby had not expired.

This authority is in addition to the authorities conferred by Resolutions 17 (general authority to disapply pre-emption rights) and 18 (additional authority to disapply pre-emption rights).

Reviewed by the Board and signed on its behalf by:

Roger C Clifton

Company Secretary

6 April 2021

Direct Line Insurance Group plc

GENERAL NOTES

Your attention is drawn to the notes below and the arrangements made by the Company to enable electronic participation in the AGM due to the continuing impact of Covid-19. It is strongly advised that you participate in the meeting remotely via a live broadcast which you can access by logging on to <https://web.lumiagm.com> or appoint the Chair of the Meeting to attend the AGM electronically and vote on your behalf in accordance with the procedure set out in the notes below.

Appointment of Proxy

Members are entitled to appoint a proxy to:

- 1) exercise any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. A proxy need not be a shareholder of the Company. A proxy form which may be used to make such appointment and give proxy instructions accompanies this Notice. If you do not have a proxy form and believe that you should have one, or if you require additional forms, please contact Computershare Investor Services PLC (the "Registrar") on +44 (0)370 873 5880. In view of the Government's current restrictions on public gatherings of more than two people, we are strongly advising members to appoint the Chair of the Meeting as their proxy.
- 2) To be valid, any proxy form or other instrument appointing a proxy and any power of attorney or other authority, if any, under which it is signed or a notarially certified or office copy of such power or authority must be received at the office of the Registrar (Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZY) or at www.investorcentre.co.uk/eproxy, in each case no later than 11.00 a.m. on Tuesday, 11 May 2021.
- 3) The return of a completed proxy form, other such instrument or any CREST Proxy Instruction (as described in Note 8) will not prevent a shareholder attending the AGM and voting in person if he/she wishes to do so. However, please note the information in the Chair's Letter (on pages 4 and 5) regarding our request that you do not attend the physical AGM venue. You must inform the Company's Registrar in writing of any termination of the authority of a proxy.

Nominated Persons

- 4) Any persons to whom this notice is sent who is nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the AGM. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
- 5) The statement of the rights of shareholders in relation to the appointment of proxies in Notes 1 and 2 above does not apply to Nominated Persons. The rights described in these Notes can only be exercised by shareholders of the Company. Nominated Persons are reminded that they should contact the registered holder of their shares (and not the Company) on matters relating to their investment in the Company.

Electronic submission of proxy form

- 6) It is possible for you to submit your proxy votes via the internet. You can do so by visiting www.investorcentre.co.uk/eproxy. You will require the control number, your **unique PIN and Shareholder Reference Number ("SRN")**.

This information can be found on your form of proxy, or if you receive communications from us electronically, voting information will be contained within your email broadcast.

CREST electronic proxy voting

- 7) CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.
- 8) In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual (available via www.euroclear.com/en.html). The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Registrar (ID number 3RA50) by no later than 11.00 a.m. on Tuesday, 11 May 2021. For this purpose, the time of receipt will be taken to be the time (as determined by the time stamp applied to the message by the CREST Application Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.
- 9) CREST members and, where applicable, their CREST sponsors, or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his CREST sponsor or voting service provider(s) take(s) such action as shall

Direct Line Insurance Group plc

GENERAL NOTES *continued*

be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

- 10) The Company may treat a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001 as invalid.

The Company's total voting rights

- 11) As at 23 March 2021 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 1,362,262,504 ordinary shares, all carrying one vote each. Therefore, the total number of voting rights in the Company as at 23 March 2021 was 1,362,262,504. No shares are held in treasury.

Corporate representatives

- 12) Any corporation which is a member can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member, provided that they do not do so in relation to the same shares.

Voting record date

- 13) Only those shareholders registered in the Register of Members of the Company as at 8.00 p.m. on **Tuesday, 11 May 2021** shall be entitled to attend and vote at the meeting in person or by proxy in respect of the number of shares registered in their names at that time (or, in the event of any adjournment, at the time which is not more than 48 hours before the time of the adjourned meeting (disregarding non-business days)). Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting. Please note the information in the Chair's Letter (on pages 4 and 5) regarding our request that you do not attend the physical AGM venue.
- 14) Any member attending the meeting in person or by proxy has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

Audit Statements

- 15) Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to:
- the audit of the Company's Annual Report and Accounts (including the Auditor's Report and the conduct of the audit) that are to be laid before the AGM; or
 - any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual reports and accounts were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006, and it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the AGM includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

Notice of Annual General Meeting

- 16) A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at www.directlinegroup.co.uk/AGM.

Inspection of documents

- 17) Copies of the following documents are at the registered office of the Company on any weekday (excluding Saturdays, Sundays and public holidays) during normal office hours from the date of this Notice until the conclusion of the AGM and will be at the physical AGM venue from at least 15 minutes before the AGM and until the conclusion of the AGM:
- the service contract of each Executive Director;
 - the letter of appointment of each Non-Executive Director.

In view of the ongoing Covid-19 pandemic and our request that you do not attend the physical AGM venue, please contact us on ShareholderEnquiries@directlinegroup.co.uk should you have any questions.

- 18) You may not use any electronic address provided either in this Notice or any related documents (including the proxy form) to communicate with the Company for any purposes other than those stated.

THE BUSINESS OF THE AGM – EXPLANATORY NOTES**Resolution 1 – Receipt of the Report and Accounts**

The Directors must lay before the shareholders the Report and Accounts of the Company for the financial year ended 31 December 2020, which include the Strategic report and the reports of the Directors and of the Auditor.

Resolution 2 – Approval of the Directors’ Remuneration Report

The Directors’ Remuneration Report has been prepared in accordance with the Companies Act 2006 and the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (as amended). It meets the requirements of the Financial Conduct Authority’s Listing Rules and describes how the Board has implemented the Directors’ Remuneration Policy and applied the principles of good governance relating to Directors’ remuneration. The Directors’ Remuneration Report is set out in full on pages 113 to 139 of the Annual Report & Accounts. As required by the Companies Act 2006, an ordinary resolution to approve the Report is proposed at the AGM. This vote is advisory and the Directors’ entitlement to receive remuneration is not conditional upon the resolution being passed by shareholders.

Resolution 3 – Dividend declaration

Shareholders may declare the final dividend payable for each ordinary share held and the proposal recommended by the Directors in this resolution is 14.7 pence for each ordinary share. If approved by shareholders, this final dividend for the financial year ended 31 December 2020 will become due and payable on 20 May 2021 to shareholders named on the Register of Members as at the close of business on 9 April 2021, provided that the Board of Directors may cancel the dividend and therefore payment of the dividend at any time prior to payment if it considers it necessary to do so for regulatory capital purposes. In compliance with the rules issued by the Prudential Regulation Authority (“PRA”) relating to the implementation of the UK Solvency II regime (as it relates to regulated insurance companies) and other regulatory requirements to which the Group is subject, the dividend is required to remain cancellable at any point prior to it being paid on 20 May 2021, and to be cancelled if, prior to payment, the regulated insurance companies in the Group cease to hold capital resources equal to or in excess of their Solvency Capital Requirement, or if that would be the case if the dividend were paid. The Directors have no intention of exercising this cancellation right, other than where required to do so by the PRA or for regulatory capital purposes.

Resolutions 4 to 12 – Directors standing for election or re-election

The Company’s Articles of Association require Directors who wish to continue to serve to submit themselves for election or re-election at each AGM.

Adrian Joseph was appointed to the Board as a Non-Executive Director on 1 January 2021 and a resolution will be proposed for his election at this year’s AGM.

Danuta Gray, Mark Gregory, Penny James, Sebastian James, Fiona McBain, Gregor Stewart, Tim Harris and Richard Ward are seeking re-election at this year’s AGM. The performance of each Director has been reviewed as part of the Board effectiveness review; it is confirmed that each Director contributes effectively and continues to demonstrate commitment to the role. Through its Nomination and Governance Committee, the Board has undertaken appropriate due diligence on the Directors’ other interests and external time commitments and has concluded that the Non-Executive Directors are able to commit fully to their roles and are free from any relationship or circumstances that could affect their judgement and are accordingly considered independent by the Board. The Chair was considered independent on appointment to that role.

Biographical details, in support of each Director’s election or re-election, including an explanation of why each Director’s contribution is, and continues to be, important to the Company’s long-term sustainable success, are provided on pages 12 to 14.

DANUTA GRAY

Chair of the Board

Appointed: February 2017 (to the Board), August 2020 (as Chair)

Danuta is Chair of the Nomination and Governance Committee and was appointed as Chair of the Board in August 2020. The Board benefits from her previous experience as Chair, Chief Executive and NED (including two positions as Chairs of Remuneration Committees), significant experience in sales, marketing, customer services and technology and in leading and changing large businesses.

Danuta was Chair of Telefónica in Ireland until 2012, having previously been its Chief Executive from 2001 to 2010. During her nine-year tenure as Chief Executive, she increased the customer base from just under 1 million to over 1.7 million. Before working at Telefónica, Danuta held various senior positions within BT Group from 1984 to 2001. Until 2018, Danuta was a NED and Chair of the Remuneration Committee at both PageGroup plc and Old Mutual plc.

Current external appointments

- Senior Independent Director of Aldermore Group plc (standing down March 2021)
- Non-Executive Chair of St Modwen Properties plc
- Non-Executive member of the Ministry of Defence Board

MARK GREGORY

Non-Executive Director

Appointed: March 2018

Mark Gregory is Chair of the Investment Committee and interim Chair of the Remuneration Committee.

The Board benefits from his previous extensive experience and knowledge of the financial services sector, particularly in life and general insurance, gained through his roles at Legal & General. Additionally, he has a detailed understanding of the retail sector and customer service.

Mark previously held the role of Group CFO and Executive Director at Legal & General until 2017, and was CEO of Merian Global Investors from January 2019 to August 2020.

During his 19-year career at Legal & General, he held a variety of senior roles including CEO of the Savings business, Managing Director of the With-Profits business, and Resources and International Director. Before joining Legal & General, Mark held senior financial and business development roles at ASDA and Kingfisher. Mark is an Associate of the Institute of Chartered Accountants in England and Wales.

Current external appointments

- Chair of the Remuneration Committee and Non-Executive Director of Entain plc

TIM HARRIS

Chief Financial Officer

Appointed: October 2019

The Board benefits from Tim's many years of experience as a finance director in the insurance industry, his detailed knowledge of capital markets and his track record of successfully leading finance transformation programmes.

Tim was Deputy Chief Executive and Group Finance Director of the Royal London Group until July 2019. He joined Royal London as Group Finance Director in 2014 and was additionally appointed as Deputy Chief Executive in 2018. Before joining Royal London, Tim had been Group CFO of Torus Insurance, Deputy Group CFO and Chief Capital Officer of Aviva plc and a Partner in the Global Capital Markets practice of PricewaterhouseCoopers. Tim is also a Fellow of the Institute of Chartered Accountants in England and Wales and a Chartered Insurance Practitioner.

In January 2021, we announced that Tim would be taking a temporary leave of absence. During the interim period, Neil Manser is Acting Chief Financial Officer.

Current external appointments

- Member of the Association of British Insurers Board
- Chair of the Prudential Financial and Taxation Committee of the Association of British Insurers
- Member of the PRA Practitioner Panel

PENNY JAMES

Chief Executive Officer

Appointed: November 2017 (to the Board), May 2019 (as CEO)

Penny was CFO of Direct Line Group until her appointment as CEO in May 2019. The Board benefits from Penny's deep understanding of our sector as well as her leadership skills, financial and risk expertise, strategic thinking and cultural alignment.

As CEO, Penny is leading both the delivery of the Group's short-term strategic imperatives, including technological and business transformation, and the development of the next stage of our strategy of targeting long-term sustainability.

Penny was previously Group Chief Risk Officer and Executive Director at Prudential, where she was responsible for leading risk oversight globally. Before this, she was Director of Group Finance at Prudential. Penny was previously Group CFO at Omega Insurance Holdings Limited and CFO, UK General Insurance, at Zurich Financial Services. She was a NED of Admiral Group plc from 2015 to 2017. She is an Associate of the Institute of Chartered Accountants in England and Wales.

Current external appointments

- Member of the Association of British Insurers Board
- Deputy Chair of the FCA Practitioner Panel
- Member of the Build Back Better Business Council

SEBASTIAN JAMES

Non-Executive Director
Appointed: August 2014

Sebastian James is Chair of the Sustainability Committee.

The Board benefits from Sebastian's extensive experience in retail and consumer practice at large groups, his detailed understanding of the UK consumer markets, products and brands as well as his strategic and operational experience running Dixons Carphone plc and Boots.

Until 2018, Sebastian was Group Chief Executive of Dixons Carphone plc, having previously held the role of Group Chief Executive of Dixons Retail plc from 2012. Before this, he was CEO of Synergy Insurance Services Limited, a private equity backed insurance company, and was previously Strategy Director at Mothercare plc. Sebastian has a degree in law from the University of Oxford and an MBA from INSEAD. He began his career at The Boston Consulting Group.

Current external appointments

- Managing Director of Boots UK, subsidiary of Walgreens Boots Alliance, Inc
- Senior Vice President of Walgreen Boots Alliance, Inc
- Trustee of the Museum of Modern Art Limited

ADRIAN JOSEPH

Non-Executive Director
Appointed: January 2021

Adrian Joseph joined BT Group in February 2020 as Managing Director, Group Data and Artificial Intelligence. Prior to this he was a senior Partner at Ernst & Young for three years and the Head of the UK Data and Analytics practice for Financial Services. He joined Ernst & Young with over ten years' cloud, digital, platform, data science and analytics experience gained in senior leadership roles at Google, and a further 15 years in industry and consultancy. This included two years as the main Board member responsible for Sales and Marketing at Trafficmaster Plc.

Adrian was a Non-Executive Director at the Home Office from 2016 to 2020, where he sat on the Home Office Data Board and advised on data science, digital transformation, and diversity and inclusion. From January 2012-2017, Adrian was Chair of the Race Equality Board, the race campaign of Business in the Community charity. In 2014 he was appointed to the main Board of Business in the Community and he continues to serve as an Advisor. He was awarded an OBE for services to equality and diversity in business in the 2019 New Year's honours list and was announced as the most influential black, Asian and minority ethnic technology leader in the UK by the Financial Times and Inclusive Boards in 2018.

Adrian's expertise in data analytics, AI and automation, as well as his passionate advocacy for diversity and inclusion, benefit the Board as it oversees the execution of a strategy of which these issues are a fundamental part.

Current external appointments

- Member of HM Government's AI Council

FIONA MCBAIN

Non-Executive Director
Appointed: September 2018

The Board benefits from Fiona's profound knowledge of the financial services industry and her previous extensive experience as both a business leader and an auditor makes her well suited to her role as a member of the Audit, Board Risk and Investment Committees.

Fiona has over 30 years' experience in retail financial services, both in the industry and as an auditor, in the UK and the USA. She is an Associate Member of the Institute of Chartered Accountants in England and Wales, qualifying as an accountant early on in her career at Arthur Young (now Ernst & Young). Until January 2019, she was Vice-Chair of Save the Children UK and a Trustee Director of the Humanitarian Leadership Academy. Previously, Fiona served as CEO of Scottish Friendly Group for 11 years, before which she was Scottish Friendly Group's Finance Director.

Current external appointments

- Chair of Audit Committee and Non-Executive Director of Dixons Carphone plc
- Chair and Non-Executive Director of the Scottish Mortgage Investment Trust plc
- Chair of Audit Committee and Non-Executive Director of Monzo Bank Limited

GREGOR STEWART

Non-Executive Director
Appointed: March 2018

Gregor Stewart is Chair of the Audit Committee.

The Board benefits from his wide-ranging experience of the financial services sector, and in particular, significant experience gained in the insurance and investment management sectors. His career and experiences at Ernst & Young and Lloyds, in particular, make him suitable to chair the Audit Committee.

Gregor worked at Ernst & Young for 23 years, including 10 years as a partner in the financial services practice. Following his career at Ernst & Young, he was Finance Director for the Insurance division at Lloyds Banking Group plc, which included Scottish Widows, from 2009 to 2012. Gregor is a member of the Institute of Chartered Accountants of Scotland.

Current external appointments

- Chair and Non-Executive Director of Alliance Trust plc
- Chair and Non-Executive Director of FNZ (UK) Limited
- Non-Executive Director of FNZ Group

RICHARD WARD

Non-Executive Director and
Senior Independent Director
Appointed: January 2016

Richard's previous experience as a Chief Executive, a NED and a Chair makes him well suited to the role of SID of the Company. The Board benefits from his experience in the insurance industry and his insight into prudential regulation.

Richard was Chief Executive of Lloyd's of London from 2006 to 2013. He was Non-Executive Chair of Brit Syndicates Limited and Executive Chair of Cunningham Lindsey from 2014 to 2018. He was a NED of Partnership Assurance Group plc, now part of Just Group plc, between 2013 and 2016. Before becoming Chief Executive of Lloyd's of London, Richard was previously Chief Executive, later Vice Chair, of the International Petroleum Exchange, rebranded ICE Futures. Before this, he held a range of senior positions at British Petroleum and was a research scientist for the Science and Engineering Council. Richard was also a NED of London Clearing House, a member of the PwC Advisory Board and a Board member of the Geneva Association.

Current external appointments

- Member of the Executive Committee of the Ardonagh Group

Resolution 13 – Re-appointment of the Auditor

This resolution proposes the re-appointment of the Company's existing Auditor, Deloitte LLP, following the recommendation of the Audit Committee, until the next annual general meeting at which the Company's accounts are presented.

Resolution 14 – Authority to agree the Auditor's remuneration

This resolution is separate to resolution 13 and proposes to give authority to the Audit Committee of the Board to determine the Auditor's remuneration.

Resolution 15 – Political donations and expenditure

The Company does not intend to change its current practice of not making donations to political parties. However, the Companies Act 2006 contains restrictions on companies making donations or incurring expenditure in relation to political parties, other political organisations or independent election candidates. Part 14 of the Companies Act 2006 defines political parties, other political organisations and independent election candidates very widely and, as a result, it is possible that they may include, for example, donations to bodies concerned with policy review and law reform, with the representation of the business community or sections of it, or with the representation of other communities or special interest groups which are in the shareholders' interest for the Company to support. Amongst other things, the Companies Act 2006 prohibits the Company or its direct or indirect subsidiaries from making donations or incurring expenditure in relation to political parties, other political organisations or independent election candidates in a 12-month period in excess of an aggregate of £5,000, unless such donations have been authorised by the Company's shareholders. The Company is therefore seeking authority under this resolution to make political donations to political parties, other political organisations or independent election candidates and to incur political expenditure of up to £100,000 in aggregate in order to prevent an inadvertent breach of the Companies Act 2006. As permitted under the Companies Act 2006, this resolution covers the Company and extends to all companies that are subsidiaries of the Company at any time the authority is in place.

Resolution 16 – Authority to allot new shares

At the AGM on 14 May 2020, shareholders approved resolutions to authorise the Directors to allot shares, to allot equity securities for cash, and to make market purchases of the Company's own shares.

This resolution renews the authority that was given at the 2020 AGM to allot shares. Paragraph i) a) of this resolution would give the Directors the authority to allot ordinary shares up to an aggregate nominal amount equal to £49,536,818. This amount represents one-third (33.33%) of the issued ordinary share capital of the Company as at 23 March 2021, the latest practicable date prior to the publication of this Notice.

In line with guidance issued by The Investment Association (the "IA"), paragraph i) b) of this resolution would give the Directors the authority to allot ordinary shares in connection with a pre-emptive offer by way of a rights issue in favour of ordinary shareholders up to an aggregate nominal amount equal to £99,073,636 including, within such limit, the nominal amount of any shares issued under paragraph i) a) of this resolution. This amount represents two-thirds (66.67%) of the issued ordinary share capital of the Company as at 23 March 2021, the latest practicable date prior to the publication of this Notice.

The authorities sought under this resolution will expire on the earlier of 30 June 2022 (the latest date by which the Company must hold an AGM in 2022) and the conclusion of the AGM of the Company held in 2022.

The Directors have no present intention of exercising either of the authorities sought under this resolution; however, if they do exercise the authority, the Directors intend to follow best practice as regards its use, as recommended by the IA. As at the date of this Notice, no ordinary shares are held by the Company in treasury.

Resolution 17 – General authority to disapply pre-emption rights (special resolution)

This resolution renews, in line with institutional guidelines, the authority that was given at the AGM on 14 May 2020, and would give the Directors the authority to allot ordinary shares (or sell any ordinary shares which the Company elects to hold in treasury) for cash without first offering them to existing shareholders in proportion to their existing shareholdings.

Except as noted in the next paragraph, this authority would be limited to allotments or sales in connection with pre-emptive offers or otherwise up to an aggregate nominal amount of £7,430,523. This aggregate nominal amount represents approximately 5% of the issued ordinary share capital of the Company as at 23 March 2021, the latest practicable date prior to the publication of this Notice.

The Directors intend to adhere to the provisions in the Pre-Emption Group's 2015 Statement of Principles for the disapplication of pre-emption rights (the "Statement of Principles") in their use of this general authority and not allot shares for cash on a non-pre-emptive basis in excess of an amount equal to 7.5% of the total issued ordinary share capital of the Company within a rolling three-year period (other than in connection with an acquisition or specified capital investment as described in the Statement of Principles), without prior consultation with shareholders.

Allotments made under the authorisation in paragraph i) b) of resolution 16 would be limited to allotments by way of a rights issue only (subject to the right of the Directors to impose necessary or appropriate limitations to deal with, for example, fractional entitlements and regulatory matters).

This authority will expire on the earlier of 30 June 2022 (the latest date by which the Company must hold an AGM in 2022) and the conclusion of the AGM of the Company held in 2022.

Resolution 18 - Additional authority to disapply pre-emption rights (special resolution)

Resolution 18 requests further shareholder approval, by way of a separate special resolution in line with the best practice guidance issued by the Pre-Emption Group, for the Directors to allot equity securities or sell treasury shares for cash without first offering them to existing shareholders in proportion to their existing shareholdings. The proposed resolution reflects the Statement of Principles and will expire on 30 June 2022 or at the conclusion of the AGM in 2022, whichever is the earlier.

The authority granted by this resolution, if passed:

- i) will be limited to the allotment of equity securities and sale of treasury shares for cash up to an aggregate nominal value of £7,430,523, which represents approximately 5% of the issued ordinary share capital of the Company as at 23 March 2021, the latest practicable date prior to publication of this Notice; and
- ii) will only be used in connection with an acquisition or other capital investment of a kind contemplated by the Statement of Principles, and which is announced contemporaneously with the allotment, or has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

The authority granted by this resolution would be in addition to the general authority to disapply pre-emption rights under resolution 17. The maximum nominal value of equity securities which could be allotted if both authorities were used would be £14,861,045 which represents approximately 10% of the issued ordinary share capital of the Company as at 23 March 2021, the latest practicable date prior to publication of this Notice.

Resolution 19 – Authority to purchase own shares (special resolution)

This resolution renews the authority that was given at the 2020 AGM, permitting the Company to buy its own ordinary shares in the market. The maximum number of shares that can be bought under this authority is 136,226,250 which represents 10% of the issued ordinary shares of the Company as at 23 March 2021, the latest practicable date prior to the publication of this Notice.

The maximum price payable (exclusive of expenses) must not exceed the higher of:

- i) 105% of the average of the middle market quotations for the ordinary shares of the Company, as derived from the London Stock Exchange Daily Official List, for the five business days immediately prior to the date of purchase; and
- ii) the higher of the price of the last independent trade of an ordinary share and the highest current independent bid for an ordinary share on the trading venue where the purchase is carried out.

The Directors do not intend to exercise the Company's power to purchase its own shares other than in circumstances, where they believe this would result in an increase in earnings per share and be in the best interests of shareholders generally.

The Companies Act 2006 enables companies to hold any of their own shares which they have purchased as treasury shares with a view to possible resale at a future date, rather than cancelling them. The Company holds no ordinary shares in treasury at the date of this Notice. Treasury shares would provide the Company with additional flexibility in the management of its capital base, enabling it either to sell the treasury shares quickly and cost-effectively or to use the treasury shares to satisfy awards under the Company's employee share schemes. If the Directors exercise the authority conferred by this resolution, they may consider holding the shares in treasury, rather than cancelling them.

The total number of options to subscribe for ordinary shares that was outstanding at 23 March 2021, being the latest practicable date prior to the publication of this Notice, was 20,858,734. The proportion of issued share capital that they represented at that time was 1.53% and the proportion of issued share capital that they would represent if the full authority to purchase shares (existing and being sought) were used is 1.92%.

Resolution 20 – Notice period for general meetings other than the AGM (special resolution)

The notice period required by the Companies Act 2006 for general meetings of the Company is 21 clear days, unless shareholders approve a shorter notice period, which cannot however, be less than 14 clear days (AGMs must always be held on at least 21 clear days' notice). At the Company's 2020 AGM, shareholders authorised the calling of general meetings, other than an AGM, on not less than 14 clear days' notice, and it is proposed that this authority be renewed. The approval granted by this resolution, if passed, will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed.

In order to be able to call a general meeting on less than 21 clear days' notice, the Company must make a means of electronic voting available to all shareholders for that meeting. The flexibility offered by this resolution will be used when, taking into account the circumstances, the Directors consider this appropriate in relation to the business to be considered at the meeting and in the interests of the Company and shareholders as a whole.

Resolution 21 – Authority to allot new ordinary shares in relation to an issue of RT1 Instruments

Resolution 21, will, if approved, renew the authority granted to Directors at the 2020 AGM to allot ordinary shares in the Company or grant rights to subscribe for, or to convert any security into, ordinary shares in the Company, in accordance with section 551 of the Companies Act 2006, up to an

aggregate nominal amount of £23,250,000 in connection with the issue of RT1 Instruments which is, in aggregate, equivalent to approximately 15.6% of the issued ordinary share capital of the Company as at 23 March 2021, being the last practicable date prior to the publication of this Notice.

The Directors believe that it is in the best interests of the Company to have the flexibility to issue RT1 Instruments from time to time and the authority sought in resolution 21 may be used if, in the opinion of the Directors, at the relevant time such an issuance of RT1 Instruments would be desirable to improve the capital structure of the Company. However, the request for authority in resolution 21 should not be taken as an indication that the Company will or will not issue any, or any given amount of, RT1 Instruments. This authority is in addition to the authority proposed in resolution 16, which is the usual authority sought on an annual basis in line with the guidance issued by the IA.

This authority will expire at the conclusion of the next AGM of the Company after the date on which this resolution is passed or, if earlier, on 30 June 2022. However, the Directors may seek a similar authority in the future.

Resolution 22 - Disapplication of pre-emption rights in relation to an issue of RT1 Instruments (special resolution)

Resolution 22, which will be proposed as a special resolution, proposes that, in addition to any authority conferred by resolutions 17 (general authority to disapply pre-emption rights) and 18 (additional authority to disapply pre-emption rights), the Directors be empowered to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash up to a nominal amount of £23,250,000 in relation to the issue of RT1 Instruments, which is equivalent to 15.6% of the issued ordinary share capital of the Company as at 23 March 2021, being the last practicable date prior to publication of this Notice, as if section 561 of the Companies Act 2006 did not apply to any such allotment.

Resolution 22 would permit the Company the flexibility necessary to allot equity securities pursuant to any proposal to issue RT1 Instruments without the need to comply with the strict pre-emption requirements of the UK statutory regime. Together with resolution 21, resolution 22 is intended to provide the Directors with the continued flexibility to issue RT1 Instruments which may convert into ordinary shares. This will enhance the Company's ability to manage its capital.

This authority will expire at the conclusion of the next AGM of the Company after the date on which this resolution is passed or, if earlier, on 30 June 2022. However, the Directors may seek a similar authority in the future.

Conditional upon the passing of resolutions 21 and 22, the Directors would not expect to make use of the authorities to allot shares and to disapply pre-emption rights granted by resolutions 16 to 18 to issue RT1 Instruments. Any exercise of the authorities in resolutions 16 to 18 (if passed) would be separate from and in addition to the exercise of any powers under these resolutions 21 and 22 and would also have a dilutive effect on existing shareholdings.

As noted on page 5 of this document, the Directors made use of the authorities to issue RT1 Instruments that were granted at the 2017 AGM in connection with the Group's issue of such instruments in December 2017. The Directors have not used the authority granted at the 2018 AGM, 2019 AGM or 2020 AGM.

Direct Line Insurance Group plc

SHAREHOLDER INFORMATION

Shareholder helpline

The shareholder helpline is run by the Registrar, and is available between Monday and Friday, 8.30 a.m. to 5.30 p.m. (excluding public holidays). The helpline also contains automated self-service functionality which is available 24 hours a day, 7 days a week. Using your SRN on your proxy form, share certificate or dividend confirmation, the self-service functionality will allow you to:

- confirm the latest share price;
- confirm your current shareholding;
- confirm your payment history; and
- order a Change of Address, Dividend Bank Mandate or Stock Transfer Form.

The number to call is +44 (0)370 873 5880.

Registrar's Investor Centre

Investor Centre is a free and secure share management website provided by the Company's Registrar. Managing your shares online means you can access information quickly and securely, and minimise postal communications. This service will allow you to:

- view your share portfolio and see the latest market price of your shares;
- elect to receive your shareholder communications online;
- calculate the total market price of each shareholding;
- view price histories and trading graphs;
- update bank mandates and change address details; and
- use online dealing services.

To take advantage of this service, please log in at www.investorcentre.co.uk and enter your SRN and the Company's name. This information can be found on your proxy form, last dividend confirmation or share certificate.

2021 key financial dates*

Half-year report 2021	03 August
Ex-dividend date for 2021 interim dividend	12 August
Record date	13 August
Payment of 2021 interim dividend	03 September

*Please note that these dates are provisional and subject to change. Please access our financial calendar at <https://www.directlinegroup.co.uk/en/investors/financial-calendar.html#category1> which is updated regularly.

Dividend payments

Shareholders can elect for dividends to be paid by mandate directly to a UK bank or building society account, effecting payment on the relevant payment date through the Bankers' Automated Clearing Services (BACS) or the Clearing House Automated Payment System (CHAPS). The Company also offers shareholders a Dividend Reinvestment Plan ("DRIP"). Further information regarding the DRIP, including its terms and conditions, election form and online application instructions can be found on our website at www.directlinegroup.co.uk/dividends.

Electronic communications

The Company actively encourages all shareholders to register for the electronic communications service. You can register for this by visiting www.directlinegroup.co.uk/alerts and following the online instructions.

Electronic proxy voting

You can register to give your AGM proxy voting instructions electronically and to access details of your individual shareholding quickly and securely online by visiting www.investorcentre.co.uk/eproxy and following the online instructions.

The Registrar must receive voting instructions by no later than 11.00 a.m. on Monday, 10 May 2021 from participants in the Company's share incentive plans and the vested share account and must receive proxy appointments no later than 11.00 a.m. on Tuesday, 11 May 2021 from ordinary shareholders.

Direct Line Insurance Group plc

SHAREHOLDER INFORMATION

Electronic attendance at AGM

For the 2021 AGM, the Company is, for the first time, enabling shareholders to attend and participate in the meeting electronically, should they wish to do so. This can be done by accessing the AGM website, <https://web.lumiagm.com>.

Accessing the Lumi AGM Website

Lumi AGM can be accessed online using most well-known internet browsers such as Internet Explorer (not compatible with versions 10 and below), Chrome, Firefox and Safari on a PC, laptop or internet-enabled device such as a tablet or smartphone. Please go to <https://web.lumiagm.com> on the day.

Logging In

On accessing the AGM website, you will be asked to enter a Meeting ID which is **149-708-266**. You will then be prompted to enter your unique SRN and Password. These can be found printed on your form of proxy. Access to the meeting will be available from 10.30 a.m. on 13 May 2021, however, please note that your ability to vote will not be enabled until the Chair formally opens the poll during the meeting.

Broadcast

The electronic meeting will be broadcast with presentation slides. Once logged in, and at the commencement of the meeting, you will be able to watch and listen to the proceedings of the meeting on your device. Slides will progress automatically as the meeting progresses.

Voting

Once the Chair has formally opened the meeting, she will explain the voting procedure. Voting will be enabled on all resolutions at the start of the formal meeting on the Chair's instruction. This means shareholders may, at any time while the poll is open, vote electronically on any or all of the resolutions in the Notice of Meeting. Once the resolutions have been proposed, the list of resolutions will appear along with the voting options available. Select the option that corresponds with how you wish to vote: "FOR", "AGAINST" or "WITHHELD". Once you have selected your choice, the option will change colour and a confirmation message will appear to indicate your vote has been cast and received. There is no submit button. If you make a mistake or wish to change your vote, simply select the correct choice. If you wish to "cancel" your vote, select the "cancel" button. You will be able to do this at any time whilst the poll remains open and before the Chair announces its closure at the end of the meeting.

Questions

Questions on the day can be submitted either as text via the Lumi messaging function or verbally via the teleconference system. Details of how to access the teleconference will be provided on the day of the annual general meeting once you are logged into the Lumi platform. Shareholders are also welcome to submit questions in advance, if they would prefer. Please submit your question to ShareholderEnquiries@directlinegroup.co.uk and we will endeavour to provide you with a response as soon as possible.

Requirements

An active internet connection is required at all times in order to allow you to cast your vote when the poll opens, submit questions and view the broadcast. It is the user's responsibility to ensure you remain connected for the duration of the meeting.

Direct Line Insurance Group plc

LOGIN TO LUMI

**Meeting ID:
149-708-266**

To log in, you must have your SRN and PIN. These can be found either:

- at the top of page 2 of your proxy form; or
- on the right-hand side of the email informing you of the date of this AGM.

1



Navigate to web.lumiagm.com and you will be prompted to enter the Meeting ID.

2



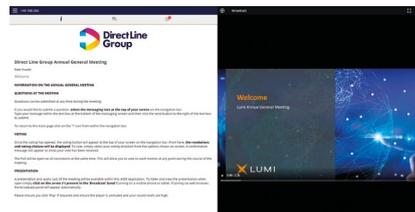
After entering the Meeting ID (**149-708-266**), you will be prompted to enter your unique SRN and PIN.

3



Once successfully authenticated, you will be taken to the Home Screen.

4

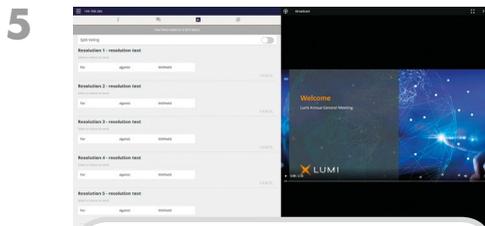


The meeting presentation will appear automatically if viewing through a web browser to the side of the page.

Continued overleaf

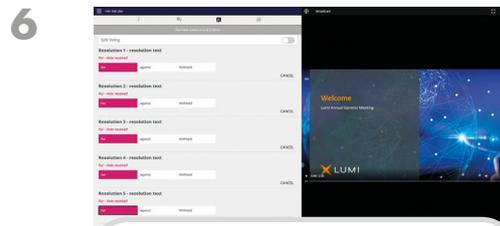
Direct Line Insurance Group plc

LOGIN TO LUMI *continued*



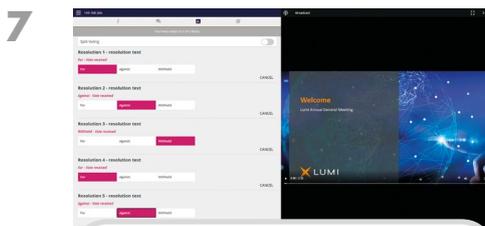
When the Chair declares the poll open, a list of resolutions and voting choices will appear.

Scroll through the list to view all resolutions.



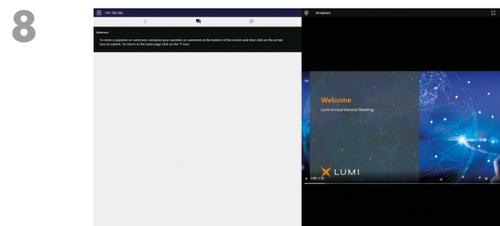
For each resolution, press the choice corresponding with the way in which you wish to vote.

When selected, a confirmation message will appear.



To change your vote, simply press the alternate choice to override your previous selection. To cancel your vote, press Cancel.

To return to the voting screen whilst the poll is open, select the voting icon.



If you would like to ask a question during the meeting, select the messaging icon.

Type your message within the chat box at the bottom of the messaging screen and then click the send button to submit.

Questions sent via the Lumi AGM online platform will be moderated before being sent to the Chairman. This is to avoid repetition and to ensure an orderly meeting.

Alternatively, you can call the phone number displayed on the screen and ask a question during the Q&A session when invited to do so.

This page is left intentionally blank.

This page is left intentionally blank.

