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"). These arrangements are consistent with our standard treatment for retirees and comply with the Directors' Remuneration Policy, which was approved by shareholders at the 2020 AGM.

Further to the announcement on 13 May 2021, Tim Harris stepped down as Chief Financial Officer and as an Executive Director of the Company with effect from the conclusion of the 2021 AGM on 13 May 2021. Mr Harris' employment with the Company will end on 12 May 2022.

Salary, pension and benefits
Following his cessation as a Director of the Company, Mr Harris' contractual salary, pension and benefits will be paid in monthly instalments until the end of his employment.

Incentives
The Remuneration Committee has determined that Mr Harris will be treated as a "good leaver" in relation to outstanding awards under the Company's Share Schemes and the Annual Incentive Plan ("AIP") by reason of his retirement, in accordance with the plan rules and the Directors' Remuneration Policy.

Mr Harris will be eligible for a 2021 Annual Incentive Plan Award to be determined by the Remuneration Committee in February 2022. The amount of bonus will be subject to the satisfaction of the gateway criteria, the relevant performance criteria and time pro-rating to reflect the period of time worked as an Executive Director to 10 January 2021 only. Any such bonus will be subject to 40% deferral, in shares, which will vest in 2025.

Awards made under the Company's Deferred Annual Incentive Plan ("DAIP") in 2020 and 2021 will continue to vest on their 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 made under the Restricted Share Plan pursuant to Listing Rule 9.4.2 ("RSP"), to compensate Mr Harris for remuneration arrangements forfeited on leaving his former employer, will continue to vest on the normal vesting dates and will be time pro-rated to reflect the period from their date of grant to the end of employment and remain subject to all scheme rules, including malus and clawback provisions. Awards will be exercisable for 12 months after they vest.

In accordance with Rules of the Company's Buy-As-You-Earn Plan, as a good leaver, all Mr Harris' Plan shares will be released to him, which follows legislation and HMRC guidance for tax advantaged plans in the UK.

Awards under the Company's Long-Term Incentive Plan ("LTIP") made in 2019 and 2020 will continue to vest on the third anniversaries of award. They will be time pro-rated to reflect the period from their date of grant to end of employment and remain subject to their original performance conditions and to all scheme rules, including malus and clawback provisions. Mr Harris' LTIP awards will be subject to a further two-year holding period after vesting (and then there will be a 12 month exercise period). No LTIP Awards have been made to Mr Harris in 2021.

Further details of the number of shares actually vesting under the Company's Incentive Plans, and/or the values that Mr Harris receives, will be disclosed in the applicable year's Directors' Remuneration Report within the Annual Report & Accounts.

Share Ownership Guideline

Mr Harris is to comply with the Company's post-cessation shareholding requirements; maintaining his current shareholding for a period of two years after he has left the Company. Mr Harris' current shareholding includes shares owned outright, as well as his unvested DAIP and RSP awards (on a net of tax basis). Mr Harris will be permitted to sell sufficient shares to cover any tax liability on exercise of these awards.