Section 430(2B) Companies Act 2006 Statement – 1 October update

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 the announcement on 12 June 2019, Mike Holliday-Williams stepped down as an Executive Director of the Company with effect from 30 June 2019. Mr Holliday-Williams will work with the Company to ensure a smooth handover until 30 September 2019 after which he will go on garden leave and his employment with the Company will end on 30 June 2020.

Salary, pension and benefits
Mr Holliday-Williams' contractual salary, pension and benefits will be paid in monthly instalments until the end of his employment. At the end of his employment, he will receive a final payment of £4,725 in connection with the cessation of his employment.

Incentives
Mr Holliday-Williams will be eligible for a 2019 Annual Incentive Plan Award to be determined by the Remuneration Committee in February 2020. 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 until he commences garden leave. Any such bonus will be subject to 40% deferral, in shares, which will vest in 2023.

Awards made under the Company's Deferred Annual Incentive Plan in 2017, 2018 and 2019 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.

Mr Holliday-Williams will be treated as a good leaver under the Company's Long-Term Incentive Plan ("LTIP") in accordance with the plan rules. Awards made to Mr Holliday-Williams under the Company's LTIP in 2016, 2017, 2018 and 2019 will continue to vest on their third anniversaries of award, 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. Furthermore, if Mr Holliday-Williams secures a new role which compensates him for the loss of any unvested Awards, the Remuneration Committee has discretion to withhold unvested LTIPs.

The Awards made in August 2016 and March 2017 will vest on their third anniversaries of award. The Awards made in August 2017, March and August 2018 and March 2019 will be subject to a further two-year holding period after vesting (and then there will be a 12 month exercise period). No further LTIP Awards will be made to Mr Holliday-Williams.

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

Share Ownership Guideline
Mr Holliday-Williams will maintain his current shareholding for a period of two years after he has left the Company.

Update 1 October 2019
This section 430 (2B) notice was published in accordance with the Companies Act 2006 on 1 July 2019. Since publication Mr Holliday- Williams has accepted a new position with another organisation which began on 1 October 2019. All of the above terms remain the same except that Mr Holliday-Williams left the group on 30 September 2019 and the payment of salary and benefits ceased on that day. The final payment in connection with the cessation of employment will be made in the October payroll. In addition, 30 September will be used as the date for the time pro-rating of his LTIP awards. The LTIP awards vest in accordance with the plan rules and the Remuneration Committee has not exercised any discretion in allowing the awards to vest.