

Section 430(2B) Companies Act 2006 Statement

The following information is provided in accordance with section 430(2B) of the Companies Act 2006.

On 8 September 2017, Direct Line Insurance Group plc announced that John Reizenstein was stepping down as Chief Financial Officer on 1 March 2018 and as an Executive Director of the Company at the end of the AGM on 10 May 2018. Mr Reizenstein's employment would finish on 7 September 2018.

Salary, pension and benefits

Following his cessation as a Director of the Company, Mr Reizenstein's salary, pension and benefits will be paid in monthly installments until the end of his employment.

Incentives

Mr Reizenstein will be eligible for the 2018 Annual Incentive Plan (AIP) Award, to be determined by the Remuneration Committee in February 2019. 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 May 2018 only. Any such bonus will be subject to 40% deferral, which will vest in 2022.

As disclosed in the 2016 and 2017 Directors' Remuneration Reports, the Company's Profit Before Tax and, consequently the AIP outturn, for 2016 were significantly adversely impacted by the Government's decision to lower the Ogden Rate in February 2017. Further Government announcements have indicated that the Ogden Rate, or the mechanism for calculating it, could be altered, in which case the Remuneration Committee could review the 2016 AIP outturn.

As Mr Reizenstein is retiring, the Remuneration Committee have confirmed his "Good Leaver" status under the Company's Share Schemes without the use of any discretion.

Awards made under the Company's Deferred Annual Incentive Plan in 2016, 2017 and 2018 will still vest on their third anniversaries of award and remain subject to malus and clawback provisions. Awards will be exercisable for 12 months after they vest. The 2013 Award, which vested in 2016, will remain exercisable for 12 months after the end of his employment.

Awards under the Company's Long-Term Incentive Plan made in 2016 and 2017 will all be time pro-rated to reflect the period from their date of grant to the finish of his period of employment. They will vest on the third anniversary of their grant, remain subject to their original performance conditions and to malus and clawback provisions. Any vesting options will be exercisable for 12 months after their vesting, except the August 2017 Award which will be subject to a further 2 years holding period (and then the 12 months exercise period). Awards that had vested but were unexercised at the time Mr Reizenstein ceased to be an Executive Director will remain exercisable until the end of his employment. The Award made in August 2015 will vest, subject to performance conditions, on the third anniversary of award in August 2018 and vesting options will remain exercisable until the end of his employment. No LTIP awards were made in 2018 to Mr Reizenstein.

In accordance with Rules of the Company's all-employee Share Incentive Plan, as a good leaver, all Mr Reizenstein's Plan shares will be released to him.

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