

# Direct Line Insurance Group plc

**Notice of Annual General Meeting to be held on  
Wednesday, 8 May 2024**



## **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.

# Contents

Letter from the Chair	<b>3</b>
AGM Information	<b>4</b>
Notice of Annual General Meeting	<b>5</b>
General Notes	<b>8</b>
The Business of the Annual General Meeting	<b>10</b>
Shareholder Information	<b>20</b>
Statement of Circumstances	<b>21</b>

# Letter from the Chair

8 April 2024

Dear Shareholder,

## Annual General Meeting ("AGM")

I am pleased to enclose the Notice of Meeting for the Company's 2024 AGM (the "Notice"). The AGM will be held at the offices of the Company at Riverbank House, 2 Swan Lane, London, EC4R 3AD, on Wednesday, 8 May 2024 at 10.30 a.m.

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. The Company's Annual Report & Accounts 2023 are available to view on the Investor section of our website: [www.directlinegroup.co.uk/en/investors/](http://www.directlinegroup.co.uk/en/investors/).

## Election and re-election of Directors

All of the current Directors are standing for re-election at this year's AGM, except for Adam Winslow, David Neave and Carol Hagh, who are standing for election by shareholders for the first time. 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.

Jon Greenwood, who was our Acting CEO, stood down from the Board on 21 March 2024. I would like to thank Jon for his outstanding stewardship of the Company for the past year.

## 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 2023 of 4.0 pence per share, which, subject to approval by shareholders, will become due and payable on 17 May 2024 to shareholders named on the Register of Members at the close of business on 5 April 2024, 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.

## Appointment of auditor

Following a competitive tender process in 2022, details of which are set out on page 119 of the Annual Report and Accounts 2022, it is proposed to appoint KPMG LLP as the Company's new external auditor for the financial year ending 31 December 2024, subject to shareholder approval at the AGM. I would like to extend my appreciation to Deloitte LLP for their services as auditor and draw your attention to their statement of circumstances on page 21.

## Authority to issue restricted Tier 1 Capital Instruments

Shareholders will recall that for the last seven 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 ("RTI Instruments"). In December 2017 the Directors used the authority granted at the 2017 AGM for the issue of RTI 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 2023 authority expires at the end of this AGM and we are seeking revised authorities (in resolutions 24 and 25) to allow the Company to have continued flexibility to issue further RTI

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 RTI 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 RTI Instruments we issued in December 2017 would convert into approximately 137 million shares (based on the current conversion price).

## Questions

Shareholders may send any questions about the business of the AGM to the Company Secretary by email at [ShareholderEnquiries@directlinegroup.co.uk](mailto:ShareholderEnquiries@directlinegroup.co.uk). We will provide written answers to questions registered in this way. Shareholders attending the meeting on the day may ask questions during the meeting in the usual way.

## Your vote counts

Your vote is important to us. Whether or not you intend to join us for the AGM, you can vote by submitting your proxy instruction online or by signing and returning your proxy form which should be submitted by no later than 10.30 a.m. on Friday, 3 May 2024. Voting instructions are set out in the notes on pages 8, 9 and 20. 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](http://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

# AGM information

**Wednesday, 8 May 2024 at 10.30 a.m.**

**The offices of the Company at Riverbank House, 2 Swan Lane, London, EC4R 3AD**

## Time

The meeting will start at 10.30 a.m. Please arrive no later than 10.15 a.m. for registration.

## Refreshments

Tea and coffee will be served from 09.50 a.m.

## Venue

The meeting will be held on Wednesday, 8 May 2024 at the offices of the Company at Riverbank House, 2 Swan Lane, London, EC4R 3AD.

## Shareholders with special needs

There is wheelchair access to the venue. Shareholders with additional accessibility requirements (such as assistive listening solutions) who plan to attend should contact [ShareholderEnquiries@directlinegroup.co.uk](mailto:ShareholderEnquiries@directlinegroup.co.uk).

## Transport and directions to the venue

### On foot:

The street-level entrance to Riverbank House is on the corner of Swan Lane and Upper Thames Street. Entry to the building can be gained through the revolving doors.

### By Underground:

There are several stations nearby on different lines: Monument and Cannon Street are both served by the District and Circle lines; Bank is served by the Central and Northern lines. Each of these stations are within a ten-minute walk of the venue.

### By Rail:

Cannon Street (Southeastern) is six minutes' walk away. Fenchurch Street (C2C), Liverpool Street (Greater Anglia, Stansted Express, London Overground, the Elizabeth Line and TfL Rail), Blackfriars (Thameslink) and London Bridge (Southeastern, Southern and Thameslink) are all between ten and twenty minutes' walk away from the venue.



Direct Line Insurance Group plc, Registered in England & Wales No. 02280426.  
Registered Office: Churchill Court, Westmoreland Road, Bromley, BR1 1DP, UK



# Notice Of AGM

Notice is hereby given that the Company's AGM will be held at the offices of the Company at Riverbank House, 2 Swan Lane, London, EC4R 3AD at 10.30 a.m. on Wednesday, 8 May 2024, to transact the business set out in the resolutions below.

Resolutions 1 to 19 (inclusive) and 24 will be proposed as ordinary resolutions and resolutions 20 to 23 (inclusive) and 25 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 2023 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 131 to 156 of the Annual Report and Accounts be and is hereby approved (excluding the part summarising the Directors' Remuneration Policy which was approved at last years' AGM).

### Resolution 3 – Dividend declaration

THAT a final dividend of 4.0 pence per ordinary share be and is hereby declared payable on 17 May 2024 to shareholders named on the Register of Members at the close of business on 5 April 2024, 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 – Election of Director

THAT David Neave be and is hereby elected as a Director of the Company.

### Resolution 5 – Election of Director

THAT Adam Winslow be and is hereby elected as a Director of the Company.

### Resolution 6 – Election of Director

THAT Carol Hagh be and is hereby elected as a Director of the Company.

### Resolution 7 – Re-election of Director

THAT Tracy Corrigan be and is hereby re-elected as a Director of the Company.

### Resolution 8 – Re-election of Director

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

### Resolution 9 – Re-election of Director

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

### Resolution 10 – Re-election of Director

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

### Resolution 11 – Re-election of Director

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

### Resolution 12 – Re-election of Director

THAT Neil Manser be and is hereby re-elected as a Director of the Company.

### Resolution 13 – Re-election of Director

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

### Resolution 14 – Re-election of Director

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

### Resolution 15 – Re-election of Director

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

### Resolution 16 – Appointment of the Auditor

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

### Resolution 17 – 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 18 – 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:

- make political donations to political parties or independent election candidates, not exceeding £100,000 in total;
- make political donations to political organisations other than political parties, not exceeding £100,000 in total; and
- 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 2025.

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.

# Notice Of AGM *continued*

## Resolution 19 – 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 £47,686,842 (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 £47,686,842); and
  - b) comprising equity securities (as defined in article 8 of the Articles) up to a maximum nominal amount of £95,373,684 (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 2025;
- 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 24 (authority to allot new shares in relation to an issue of RTI Instruments).

## Special Resolutions:

### Resolution 20 – 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:
  - a. the allotment of equity securities having a nominal amount not exceeding in aggregate £14,306,052; and
  - b. the allotment of equity securities (otherwise than under paragraph a) above) up to an aggregate amount equal to 20% of any allotment of equity securities from time to time under paragraph a) above, such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of the Statement of Principles on Disapplying Pre-Emption Rights most recently published by the Pre-Emption Group prior to the date of this Notice;
- 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 2025.

## Resolution 21 – Additional authority to disapply pre-emption rights

THAT

- i. in addition to any authority granted under Resolution 20, the Directors be given power:
  - a. subject to the passing of Resolution 19, 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 limited to:
  - A. the allotment of equity securities up to a maximum nominal amount of £14,306,052, such authority to be used only for the purposes of financing (or refinancing, if the authority is to be used within 12 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; and
  - B. the allotment of equity securities (otherwise than under paragraph A) above) up to an aggregate nominal amount equal to 20% of any allotment of equity securities from time to time under paragraph A) above), such authority to be used only for the purposes of making a follow-on offer which the Board of the Company determines to be of a kind contemplated by paragraph 3 of Section 2B of 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 2025; 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 22 – 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 131,138,815;
- 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
  - 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 2025; 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 23 – 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 24 – Authority to allot new shares in relation to an issue of RTI Instruments**

THAT, in addition to the authority granted pursuant to Resolution 19 (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 RTI Instruments where the Directors consider that such an issuance of RTI 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 2025, 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 25 – Disapplication of pre-emption rights in relation to an issue of RTI Instruments**

THAT, subject to the passing of Resolution 24, 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 24 up to an aggregate nominal amount of £23,250,000 in relation to any issues of RTI 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 2025, 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 20 (general authority to disapply pre-emption rights) and 21 (additional authority to disapply pre-emption rights).

Reviewed by the Board and signed on its behalf by:



**Roger C Clifton**  
Company Secretary

8 April 2024

# General Notes

## Appointment of Proxy

1. Members are entitled to appoint a proxy to 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.
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 the electronic address provided in Note 6, in each case no later than 10.30 a.m. on Friday, 3 May 2024.
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. 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](http://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](http://www.euroclear.com)). 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 10.30 a.m. on Friday, 3 May 2024. 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 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.



## Proxymity Voting

11. If you are an institutional investor you may also be able to appoint a proxy electronically via the Proxymity platform, a process which has been agreed by the Company and approved by the Registrar. For further information regarding Proxymity, please go to [www.proxymity.io](http://www.proxymity.io). Your proxy must be lodged by 10.30 a.m. on Friday, 3 May 2024 in order to be considered valid. Before you can appoint a proxy via this process you will need to have agreed to Proxymity's associated terms and conditions. It is important that you read these carefully as you will be bound by them and they will govern the electronic appointment of your proxy.

## The Company's total voting rights

12. As at Friday, 22 March 2024 (being the latest practicable date prior to the publication of this Notice) the Company's issued share capital consisted of 1,311,388,157 ordinary shares, all carrying one vote each. Therefore, the total number of voting rights in the Company as at Friday 22 March 2024 was 1,311,388,157. No shares are held in treasury.

## Corporate representatives

13. 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, attendance and questions

14. Only those shareholders registered in the Register of Members of the Company as at 8.00 p.m. on Friday, 3 May 2024 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.
15. 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. Shareholders are reminded that unacceptable behaviour will not be tolerated at the meeting and will be dealt with appropriately by the Chair.

## Audit Statements

16. 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 (i) 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 (ii) 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

17. 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](http://www.directlinegroup.co.uk/AGM).

## Inspection of documents

18. 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 AGM venue from at least 15 minutes before the AGM and until the conclusion of the AGM:
  - i. the service contract of any Executive Director;
  - ii. the letter of appointment of each Non-Executive Director.

## Electronic addresses

19. 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 2023, 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 131 to 156 of the Annual Report & Accounts. As required by the Companies Act 2006, an ordinary resolution to approve the Report (excluding the part summarising the Directors' Remuneration Policy which was approved at last year's AGM) 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 4.0 pence for each ordinary share. If approved by shareholders, this final dividend for the financial year ended 31 December 2023 will become due and payable on 17 May 2024 to shareholders named on the Register of Members as at the close of business on 5 April 2024, 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 17 May 2024, 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 15 – 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.

David Neave was appointed to the Board as a Non-Executive Director with effect from 19 October 2023. Adam Winslow was appointed to the Board as an Executive Director with effect from 21 March 2024. Carol Hagh was appointed to the Board as Non-Executive Director on 1 April 2024. Resolutions will be proposed for their each of their elections at this year's AGM. Jon Greenwood, who was our Acting CEO, stood down from the Board on 21 March 2024.

Tracy Corrigan, Danuta Gray, Mark Gregory, Adrian Joseph, Mark Lewis, Neil Manser, Fiona McBain, Gregor Stewart, and Richard Ward are seeking re-election at this year's AGM. The performance of each Director standing for re-election has been reviewed as part of the Board performance 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 11 to 16 below.

## DAVID NEAVE

Independent Non-Executive Director

### Appointed

October 2023

### Committees

Audit Committee

Board Risk Committee

Nomination and Governance Committee

### Key Skills and Experience

- » Deep understanding of general and life insurance markets.
- » Extensive experience in senior management and non-executive roles.
- » Proven record of delivering general insurance business modernisation.

David is a former Chief Executive of General Insurance for Co-operative Insurance. Following his executive career, spanning over twenty years in senior management roles in general insurance, David has held chairmanships, non-executive directorships and advisory roles in a number of insurance, InsurTech, consultancy and legal businesses, including Slater and Gordon UK Ltd, The Solicitors Indemnity Fund, Liverpool Victoria Friendly Society and Accenture UK Ltd.

### External Appointments

- » Chair of the Advisory Board of the Common Automotive Platform Standard.

## ADAM WINSLOW

Chief Executive Officer

### Appointed

March 2024

### Committees

None

### Key Skills and Experience

- » Strong expertise and understanding of financial services, particularly the insurance market.
- » Extensive leadership experience in facilitating change, improving profitability and market growth.
- » Highly focused on driving operational excellence to continuously meet customer needs.

Adam has a deep understanding of the insurance industry and has significant leadership experience. Prior to joining the Group, he was CEO of Aviva UK and Ireland General Insurance, during which time the company saw an increase in overall profitability and market share expansion. Prior to this, Adam served as CEO of International Markets at Aviva. He was previously CEO of Global Life Insurance at AIG International Life and Retirement (now Corebridge). Before that, Adam was CEO for AIG Life UK until 2020, prior to which he held several positions in insurance and life insurance across several markets. Adam's Board experience also includes a role as Non-Executive Director for Pool Reinsurance Company.

### External Appointments

None.

# The Business Of The AGM – Explanatory Notes *continued*

## **CAROL HAGH**

Independent Non-Executive Director

### **Appointed**

April 2024

### **Committees**

Nomination and Governance Committee

### **Key Skills and Experience**

- » Extensive experience of digitalisation, brand strategy and the drivers of customer satisfaction.
- » Deep understanding of insurance brand and customer strategy and of refining products and propositions.
- » Expertise in leadership and company culture.

Carol's career has spanned actuarial services and technology consultancy; brand, marketing and customer strategic development; board and executive search, in which she led Spencer Stuart's UK insurance practice; and senior executive coaching. In senior leadership roles in general insurance, she was responsible for digital transformation, direct channel development, and proposition design. She has led customer-centric culture transformation and data-driven approaches to improving customer satisfaction.

### **External Appointments**

- » Non-Executive Director and member of the Remuneration and Nominations & Governance Committees of Chesnara PLC.

## **TRACY CORRIGAN**

Independent Non-Executive Director

### **Appointed**

November 2021

### **Committees**

Customer and Sustainability Committee (Chair)  
Nomination and Governance Committee  
Remuneration Committee

### **Key Skills and Experience**

- » Track record of driving digital growth.
- » Experience in digital transformation with a focus on data, culture and customer.
- » Expertise in ESG issues and communications with multiple stakeholders.

Tracy's professional background spans financial journalism, digital media and corporate strategy in the media industry. Most recently Tracy was Dow Jones' Chief Strategy Officer where she was responsible for global strategy, customer insight and commercial policy, and had oversight of the digital transformation of the business. Earlier in her career, Tracy was Editor-in-Chief of The Wall Street Journal Europe and Digital Editor of The Wall Street Journal. She also held various positions, including Editor of FT.com and Editor of the Lex Column, at the Financial Times.

### **External Appointments**

- » Non-Executive Director and member of the Remuneration Committee of Barclays Bank UK plc.
- » Chair of Sustainability Committee and Non-Executive Director and member of the Audit and Nomination Committees of Domino's Pizza Group plc.
- » Non-Executive Director and Member of the Nominations Committee of the Scott Trust and Chair of the Scott Trust Endowment Limited.



## **DANUTA GRAY**

Chair of the Board

### **Appointed**

Independent Non-Executive Director in February 2017.  
Chair of the Board since August 2020.

### **Committees**

Nomination and Governance Committee (Chair)  
Remuneration Committee

### **Key Skills and Experience:**

- » Extensive experience leading and transforming large, consumer focused businesses.
- » Deep understanding of governance and remuneration requirements affecting listed companies gained from previous Chair roles.
- » Expertise in sales, marketing, and technology.

Danuta was Chair of Telefónica in Ireland until 2012. She was Chief Executive between 2001 and 2010, during which time Telefónica's customer base increased to 1.7 million from just under 1 million. Between 1984 and 2001, Danuta held a variety of senior positions within the BT Group. Elsewhere, Danuta has acted as Senior Independent Director of the Aldermore Group; Non-Executive Chair of St Modwen Properties; Non- Executive member of the Ministry of Defence Board, NED and Chair of the Remuneration Committee at both Page Group plc and Old Mutual plc; and was Non-Executive Chair of the Board of Perth Topco Limited and North Tech.

### **External Appointments**

- » Non-Executive Director, Chair of the Remuneration Committee and member of the Nomination Committee of Burberry Group plc.
- » Non-Executive Director and Chair-elect of Croda International plc
- » Trustee Director of the Resolution Foundation.

## **MARK GREGORY**

Independent Non-Executive Director

### **Appointed**

March 2018

### **Committees**

Board Risk Committee (Chair)  
Audit Committee  
Investment Committee  
Nomination and Governance Committee  
Remuneration Committee

### **Key Skills and Experience**

- » Extensive experience in both life and general insurance.
- » Deep understanding of capital markets.
- » Strategically orientated with a detailed understanding of the retail sector.

Mark was CEO of Merian Global Investors from January 2019 to August 2020. He previously held the role of Group CFO and Executive Director at Legal & General until 2017. Mark acted in a variety of senior roles in his 19-year career at Legal & General, including CEO of the Savings business, Managing Director of the With-Profits business, and Resources and International Director. Earlier in his career, Mark held senior financial and business development roles at ASDA and Kingfisher. Mark is an Associate of the Institute of Chartered Accountants in England & Wales.

### **External Appointments**

- » Non-Executive Director and member of the Audit and Risk Committees of Phoenix Group Holdings plc.

# The Business Of The AGM – Explanatory Notes *continued*

## **ADRIAN JOSEPH**

Independent Non-Executive Director

### **Appointed**

January 2021

### **Committees**

Customer and Sustainability Committee  
Nomination and Governance Committee

### **Key Skills and Experience**

- » Leading expertise in digital, data science and analytics.
- » Track record of using data and AI to drive business transformation.
- » Recognised Diversity and Inclusion leader and a passionate advocate on this topic.

Adrian is the former Managing Director, Group Data and Artificial Intelligence at BT Group and a former member of HM Government's AI Council. He has significant industry and consultancy experience and has held senior roles at EY and Google. Between 2016 and 2020, Adrian was a NED at the Home Office where he sat on the Data Board advising on data science, digital transformation, and diversity and inclusion. A former Chair of the Race Equality Board, Adrian was appointed to the main Board of Business in the Community in 2014 and continues to act as an adviser to them. In 2018, he was announced as the most influential black, Asian and minority ethnic technology leader in the UK by the Financial Times and Inclusive Boards. Adrian has been awarded an OBE for services to equality and diversity in business.

### **External Appointments**

- » None.

## **MARK LEWIS**

Independent Non-Executive Director

### **Appointed**

March 2023

### **Committees**

Customer and Sustainability Committee  
Nomination and Governance Committee  
Remuneration Committee

### **Key Skills and Experience**

- » Strong track record of delivering digital transformation and growth.
- » Highly experienced in customer-focused and regulated business. Environments with a focus on strategy and innovation.
- » Expertise in price comparison websites.

Mark's career has spanned financial services, retail, e-commerce, management consultancy and advertising. Most recently, he was Chief Executive of the MoneySupermarket Group, overseeing a period of revenue and profit growth for the UK listed price comparison business. Mark's previous roles include the Retail and Online Director for John Lewis and the Managing Director of eBay UK.

### **External Appointments**

- » Non-Executive Director and member of the Audit, Remuneration, Risk and Responsible Banking Committees of Santander UK plc.
- » Non-Executive Director of Hammer PW Topco Limited.

## **NEIL MANSER**

Chief Financial Officer

### **Appointed**

May 2021

### **Committees**

Investment Committee

### **Key Skills and Experience**

- » Responsibility for overall direction on all financial matters and oversight of investment management and treasury function.
- » Extensive corporate finance and capital markets knowledge.
- » Deep understanding of the operation of strategy and culture in the insurance industry.

Neil has held several roles in Finance and Strategy since joining the Group in 2011, including Director of Investor Relations, Managing Director of NIG and Chief Strategy Officer. He was instrumental in the Group's successful IPO in 2012. He brings extensive industry and capital markets experience to the Board. Prior to joining the Group, Neil held roles at Brit Insurance, Merrill Lynch and Fox-Pitt, Kelton. He is an Associate of the Institute of Chartered Accountants in England and Wales.

### **External Appointments**

- » None.

## **FIONA MCBAIN**

Independent Non-Executive Director

### **Appointed**

September 2018

### **Committees**

Investment Committee (Chair)

Audit Committee

Board Risk Committee

Nomination and Governance Committee

### **Key Skills and Experience**

- » Extensive experience in retail financial services.
- » Strong background in M&A and developing strategic partnerships.
- » Expertise in audit having worked as an auditor and serving as Audit Committee Chair of other listed companies.

Fiona's experience in retail financial services, both in the industry and as an auditor, was gained in the UK and the USA. Fiona qualified as an accountant early in her career at Arthur Young (now EY). She is a former Chair and Non-Executive Director of the Scottish Investment Trust plc. 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. Between February 2009 and June 2023, she served as Chair and Non-Executive Director of the Scottish Mortgage Investment Trust plc. Fiona is a Fellow of the Institute of Chartered Accountants in England & Wales.

### **External Appointments**

- » Chair of Audit Committee and Non-Executive Director of Currys plc.
- » Senior Independent Director, Chair of Audit Committee and Non-Executive Director of Monzo Bank Limited

# The Business Of The AGM – Explanatory Notes *continued*

## **GREGOR STEWART**

Independent Non-Executive Director

### **Appointed**

March 2018

### **Committees**

Audit Committee (Chair)

Board Risk Committee

Nomination and Governance Committee

### **Key Skills and Experience**

- » Strong audit background having worked as a partner in Ernst & Young's Financial Services practice.
- » Extensive experience in the insurance and investment management industry.
- » Deep knowledge and understanding of financial services regulation and practice.

Gregor worked at Ernst & Young for 23 years, 10 of which were as partner in the financial services practice. Between 2009 and 2012, he was Finance Director for the insurance division of Lloyd's Banking Group plc which included Scottish Widows. Gregor previously served as Chair and Non-Executive Director of Alliance Trust plc and FNZ (UK) Limited. Gregor is a Member of the Institute of Chartered Accountants of Scotland.

### **External Appointments**

- » Deputy Chair, Chair of the Risk Committee and Non-Executive Director of FNZ Group.

## **RICHARD WARD**

Independent Non-Executive Director

### **Appointed**

January 2016

### **Committees**

Remuneration Committee (Chair)

Board Risk Committee

Nomination and Governance Committee

### **Key Skills and Experience**

- » Highly experienced financial services professional with expertise in dealing with complex stakeholder groups.
- » Extensive knowledge of the insurance industry with deep insight into prudential regulation.
- » Background of delivering business transformation and change in challenging circumstances.

Richard was previously Executive Chair of Ardonagh Specialty, Chief Executive of Lloyd's of London, and CEO of the International Petroleum Exchange. He also held the roles of Non-Executive Chair at Brit Syndicates Limited and Executive Chair of Cunningham Lindsey. Richard also held NED roles at the Partnership Assurance Group plc and the London Clearing House. Earlier in his career he held a range of senior positions at British Petroleum and was a research scientist for the Science and Engineering Council. Richard has also been a member of the PwC Advisory Board, the PRA Practitioner Panel and the Geneva Association.

### **External Appointments**

- » Non-Executive Chair of CFC Group Limited.
- » Non-Executive Chair of Mrald Limited.



### **Resolution 16 – Appointment of the Auditor**

This resolution proposes the appointment of KPMG LLP as the Company's auditor until the next annual general meeting at which the Company's accounts are presented, on the recommendation of the Audit Committee. The recommendation follows a competitive tender process, as described on page 119 of the Annual Report and Accounts 2022. Deloitte LLP, the auditor for the financial year ended 31 December 2023, did not participate in the tender in view of its length of service to the Company. Deloitte LLP has provided a statement of circumstances, as required by company law, which is set out on page 21.

### **Resolution 17 – Authority to agree the Auditor's remuneration**

This resolution is separate to resolution 16 and proposes to give authority to the Audit Committee of the Board to determine the Auditor's remuneration.

### **Resolution 18 – 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 19 – Authority to allot new shares**

At the AGM on 9 May 2023, 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 2023 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 £47,686,842. This amount represents one-third (33.33%) of the issued ordinary share capital of the Company as Friday, 22 March 2024, the latest practicable date prior to the publication of this Notice.

In line with guidance issued by The Investment Association (the "IA") in February 2023, paragraph i) b) of this resolution would give the Directors the authority to allot ordinary shares in connection with a rights issue or other pre-emptive offer in favour of ordinary shareholders up to an aggregate nominal amount equal to £95,373,684 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 Friday, 22 March 2024, 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 2025 (the latest date by which the Company must hold an AGM in 2025) and the conclusion of the AGM of the Company held in 2025.

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 20 – General authority to disapply pre-emption rights (special resolution)**

At last year's meeting a special resolution was passed, under sections 570 and 573 of the Companies Act 2006, empowering the Directors to allot equity securities for cash without first being required to offer such shares to existing shareholders in proportion to their existing shareholdings. It is proposed

that this authority be renewed in line with the latest institutional shareholder guidelines, including the revised Statement of Principles published by the Pre-Emption Group in November 2022 (the "2022 Statement of Principles").

# The Business Of The AGM – Explanatory Notes *continued*

If approved, this resolution, which follows the Pre-Emption Group's template resolution, will authorise the Directors, in accordance with the Company's articles of association and the 2022 Statement of Principles, to issue shares in connection with a rights issue or other pre-emptive offer and otherwise to issue shares and/or sell treasury shares for cash without first being required to offer such shares to existing shareholders in proportion to their existing shareholdings:

1. for general corporate purposes (under paragraph ii) a) of the resolution), up to a maximum nominal amount of £14,306,052 (representing approximately 10% of the issued ordinary share capital of the Company as at Friday, 22 March 2024 (being the latest practicable date prior to publication of this Notice)); and
2. for the purposes of making a follow-on offer to existing shareholders (under paragraph ii) b) of the resolution and as described in the 2022 Statement of Principles), up to an additional aggregate amount equal to 20% of any allotment under paragraph ii) a) of the resolution. The maximum additional nominal amount that could be issued under paragraph ii) b) of the resolution (based on the authority under paragraph ii) a) being used in full) is £2,861,210 (representing approximately 2% of the issued ordinary share capital of the Company as at Friday, 22 March 2024).

The total maximum nominal amount of equity securities to which Resolution 20 relates is £17,167,262 (representing approximately 12% of the issued ordinary share capital of the Company as at Friday, 22 March 2024).

The Directors confirm that, should they exercise this authority, they intend to follow best practice as regards its use, including: (i) following the shareholder protections in Part 2B of the 2022 Statement of Principles; and (ii) in respect of any follow-on offer, following the expected features set out in paragraph 3 of Part 2B of the 2022 Statement of Principles.

Resolution 20 will be proposed as a special resolution to grant this authority until the conclusion of the next AGM or, if earlier, the close of business on 30 June 2025 (the latest date by which the Company must hold an AGM in 2025).

## **Resolution 21 - Additional authority to disapply pre-emption rights (special resolution)**

Resolution 21 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 and/or sell treasury shares for cash without first being required to offer such securities to existing shareholders in proportion to their existing shareholdings. The proposed resolution, which follows the Pre-Emption Group's template resolution and reflects the 2022 Statement of Principles, will expire on 30 June 2025 or at the conclusion of the AGM in 2025, whichever is the earlier.

The authority granted by this resolution, if passed, will be limited to the allotment of equity securities and the sale of treasury shares for cash:

- i. under paragraph A) of the resolution, up to an aggregate nominal value of £14,306,052 (representing approximately 10% of the issued ordinary share capital of the Company as at Friday, 22 March 2024 (being the latest practicable date prior to publication of this Notice)), to be used only in connection with an acquisition or other capital investment of a kind contemplated by the 2022 Statement of Principles, and which is announced contemporaneously with the allotment, or has taken place in the preceding 12 month

period and is disclosed in the announcement of the allotment; and

- ii. under paragraph B) of the resolution, up to an additional aggregate amount equal to 20% of any allotment under paragraph A) of the resolution, for the purposes of making a follow-on offer to existing shareholders as described in the 2022 Statement of Principles. The maximum additional nominal amount that could be issued under paragraph B) of the resolution (based on the authority under paragraph A) being used in full) is £2,861,210 (representing approximately 2% of the issued ordinary share capital of the Company as at Friday, 22 March 2024).

The total maximum nominal amount of equity securities to which Resolution 21 relates is £17,167,262 (representing approximately 12% of the issued ordinary share capital of the Company as at Friday, 22 March 2024).

The Directors confirm that, should they exercise this authority, they intend to follow best practice as regards its use, including: (i) following the shareholder protections in Part 2B of the 2022 Statement of Principles; and (ii) in respect of any follow-on offer, following the expected features set out in paragraph 3 of Part 2B of the 2022 Statement of Principles.

The authority granted by this resolution would be in addition to the general authority to disapply pre-emption rights under resolution 20.

## **Resolution 22 – Authority to purchase own shares (special resolution)**

This resolution renews the authority that was given at the 2023 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 131,138,815 which represents 10% of the issued ordinary shares of the Company as at Friday, 22 March 2024, 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 Friday, 22 March 2024, being the latest practicable date prior to the publication of this Notice, was 25,172,836. The proportion of issued share capital that they represented at that time was 1.91%, and the proportion of issued share capital that they would represent if the full authority to purchase shares (existing and being sought) were used was 2.4%.

### **Resolution 23 – 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 be less than 14 clear days (AGMs must always be held on at least 21 clear days' notice). At the Company's 2023 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 24 – Authority to allot new ordinary shares in relation to an issue of RTI Instruments**

Resolution 24, will, if approved, renew the authority granted to Directors at the 2023 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 RTI Instruments which is, in aggregate, equivalent to approximately 16% of the issued ordinary share capital of the Company as at Friday, 22 March 2024, being the latest 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 RTI Instruments from time to time and the authority sought in resolution 24 may be used if, in the opinion of the Directors, at the relevant time such an issuance of RTI Instruments would be desirable to improve the capital structure of the Company. However, the request for authority in resolution 24 should not be taken as an indication that the Company will or will not issue any, or any given amount of, RTI Instruments. This authority is in addition to the authority proposed in resolution 19, 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 2025. However, the Directors may seek a similar authority in the future.

### **Resolution 25 – Disapplication of pre-emption rights in relation to an issue of RTI Instruments (special resolution)**

Resolution 25, which will be proposed as a special resolution, proposes that, in addition to any authority conferred by resolutions 20 (general authority to disapply pre-emption rights) and 21 (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 RTI Instruments, which is equivalent to 16% of the issued ordinary share capital of the Company as at Friday, 22 March 2024, being the latest 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 25 would permit the Company the flexibility necessary to allot equity securities pursuant to any proposal to issue RTI Instruments without the need to comply with the strict pre-emption requirements of the UK statutory regime. Together with resolution 24, resolution 25 is intended to provide the Directors with the continued flexibility to issue RTI 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 2025. However, the Directors may seek a similar authority in the future.

Conditional upon the passing of resolutions 24 and 25, the Directors would not expect to make use of the authorities to allot shares and to disapply pre-emption rights granted by resolutions 19 to 21 to issue RTI Instruments. Any exercise of the authorities in resolutions 19 to 21 (if passed) would be separate from and in addition to the exercise of any powers under resolutions 24 and 25 and would also have a dilutive effect on existing shareholdings.

As noted on page 3 of this document, the Directors made use of the authorities to issue RTI 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 AGMs between 2018 and 2023.

# 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 Shareholder's Register Number ("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, visit Investor Centre at [www.investorcentre.co.uk](http://www.investorcentre.co.uk).

## 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](http://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](http://www.investorcentre.co.uk) and following the online instructions.

The Registrar must receive voting instructions from participants in the Company's share incentive plans by no later than 5.00 p.m. on Tuesday, 30 April 2024, and must receive proxy appointments no later than 10.30 a.m. Friday, 3 May 2024 from ordinary shareholders.



**Deloitte LLP**  
1 New Street Square  
London EC4A 3HQ  
Phone: +44 (0)20 7936 3000  
Fax: +44 (0)20 7583 0112  
[www.deloitte.co.uk](http://www.deloitte.co.uk)

25 March 2024

**Direct Line Insurance Group plc**  
Churchill Court  
Westmoreland Road  
Bromley  
BR1 1DP

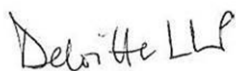
Dear Directors

## **Ceasing to act as auditors of Direct Line Insurance Group plc**

This letter is formal notice that we will not be seeking reappointment as auditors of Direct Line Insurance Group plc with effect from the conclusion of the forthcoming accounts meeting.

Our statement of reasons, together with circumstances which we believe should be brought to the attention of members and creditors, is attached.

**Yours faithfully**



*Deloitte LLP*

## **Statement of reasons relating to Deloitte LLP ceasing to act as auditors of Direct Line Insurance Group plc**

We are not seeking reappointment as auditors of the company and, accordingly, will cease. The reason for our not seeking reappointment is that we have reached our maximum tenure under s494ZA Companies Act 2006 and therefore can no longer act as auditor.

Unless you apply to the Court, this statement must be sent by you within 14 days to every person entitled under Section 423 of the Companies Act 2006 to be sent copies of the company's accounts. This is a requirement of Section 520(2) of that Act. Unless you inform us that you have applied to the court, we are required to file a copy of this statement at Companies House.

**Deloitte LLP – Audit registration C009201919**  
**25 March 2024**

Under s523 Companies Act 2006 you are obliged to inform the FRC, as the appropriate audit authority, of the reasons for our ceasing to hold office. You can do this by email to [registration@frc.org.uk](mailto:registration@frc.org.uk) or in writing to Change of Auditor Notifications, Financial Reporting Council, 8<sup>th</sup> Floor, 125 London Wall, London, EC2Y 5AS. You should either (a) attach a copy of our statement of reasons, saying that you agree with the contents of the statement, or (b) set out what you believe the reasons are for our ceasing to hold office, including your company's registered name and number, our name and address (Deloitte LLP, 1 New Street Square EC4A 3HQ) and our audit registration number which is C009201919.

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 1 New Street Square, London, EC4A 3HQ, United Kingdom.

Deloitte LLP is the United Kingdom affiliate of Deloitte NSE LLP, a member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL and Deloitte NSE LLP do not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) to learn more about our global network of member firms.

© 2024 Deloitte LLP. All rights reserved.

## Notes

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.





**Direct Line Insurance Group plc©**

Registered in England & Wales No 02280426.

Registered Office: Churchill Court, Westmoreland Road, Bromley, BR11DP