

Company number: 02280426

PUBLIC COMPANY LIMITED BY SHARES

RESOLUTIONS

OF

DIRECT LINE INSURANCE GROUP PLC

(the "**Company**")

THURSDAY



A07 *A676JXU7* 25/05/2017 #146
COMPANIES HOUSE

At the ANNUAL GENERAL MEETING of the Company, duly convened and held at the offices of Allen & Overy LLP, One Bishops Square, London E1 6AD on the 11th day of May 2017 at 11.00 a.m., the following resolutions were duly passed, resolutions 17, 18 and 22 as ordinary resolutions and resolutions 19, 20, 21, 23 and 24 as special resolutions as set out in the Notice of Annual General Meeting dated 28 March 2017:

ORDINARY RESOLUTIONS

Resolution 17 – Political donations and expenditure

THAT in accordance with sections 366 and 367 of the Companies Act 2006, the Company and all companies that are its subsidiaries, as defined in section 1159 of the Companies Act 2006, at any time during the period for which this resolution has effect are hereby authorised, during the period commencing on the date of this resolution and ending at the conclusion of next year's AGM, or, if earlier, at the close of business on 30 June 2018, to:

- i) make political donations to political parties, political organisations other than political parties and/or independent election candidates not exceeding £100,000 in total; and
- ii) 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 from the date of this resolution until the conclusion of the next AGM of the Company or, if earlier, at the close of business on

30 June 2018. 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.

Resolution 18 – Authority to allot new shares

THAT

- i) the Directors be authorised to allot shares in the Company, or grant rights to subscribe for or to convert any security into shares in the Company:
 - a) in accordance with article 7 of the Company's articles of association (the "Articles") up to a maximum nominal amount of £ 50,000,000 (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 £50,000,000); and
 - b) comprising equity securities (as defined in article 8 of the Articles) up to a maximum nominal amount of £ 100,000,000 (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 2018; and
- 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 22 (authority to allot new shares in relation to issue of Solvency II RTI Instruments).

Resolution 22 – Authority to allot new shares in relation to an issue of Solvency II Restricted Tier 1 Capital Instruments

THAT in addition to the authority granted pursuant to Resolution 18 (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 Solvency II RT1 Instruments where the Directors consider that such an issuance of Solvency II 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 2018, 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 RESOLUTIONS

Resolution 19 – 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;
- 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 £7,500,000; 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 2018.

Resolution 20 – Additional authority to disapply pre-emption rights

THAT

- i) In addition to any authority granted under resolution 19, the Directors be given power:

- a) subject to the passing of resolution 18, 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 £7,500,000; 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 2018; 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 21 – Authority to purchase own shares

THAT 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 137,500,000;

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 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 as derived from the London Stock Exchange Trading System (SETS);

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 2018;

v) a contract 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; and

vi) all existing authorities for the Company to make market purchases of ordinary shares are revoked, except in relation to the purchase of shares under a contract or contracts concluded before the date of this resolution and which has or have not yet been executed.

Resolution 23 – Disapplication of pre-emption rights in relation to an issue of Solvency II Restricted Tier 1 Capital Instruments

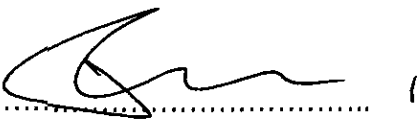
THAT, subject to the passing of Resolution 22, the Directors be generally empowered, pursuant to section 570 of the Companies Act 2006, to allot equity securities (as such phrase is defined in section 560 (1) of the Companies Act 2006 and is to be interpreted in accordance with section 560(2) of the Companies Act 2006) for cash pursuant to the authority granted by resolution 22 up to an aggregate nominal amount of £23,250,000 in relation to any issues of Solvency II 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 2018, 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 authority conferred by Resolutions 19 (general authority to disapply pre-emption rights) and 20 (additional authority to disapply pre-emption rights).

Resolution 24 – Notice period for general meetings other than AGM

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

Certified as a true copy:



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Paul Geddes

Chief Executive Officer

23 May 2017