



# Direct Line Insurance Group plc

Notice of Annual General Meeting  
to be held on Tuesday, 9 May 2023



**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.

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## LETTER FROM THE CHAIR

3 April 2023

Dear Shareholder,

### Annual General Meeting (“AGM”)

I am pleased to enclose the Notice of Meeting for the Company's 2023 AGM (the “Notice”). The AGM will be held at the offices of the Company at No.1 Minster Court, Mincing Lane, London EC3R 7AA, on Tuesday, 9 May 2023 at 11.00 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 2022 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 Directors are standing for re-election at this year's AGM, except for Mark Lewis, who is 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.

### Directors' Remuneration Policy

As required, the Directors' Remuneration Policy is being proposed for approval at this year's AGM. The Remuneration Committee reviewed the existing Policy concluding it remains appropriate at the current time. Therefore the Policy is being rolled forward for approval with some minor wording amendments. In resolution 3 shareholders are asked to approve the Directors' Remuneration Policy which is set out in full on pages 151 to 161 of the Annual Report & Accounts. The proposed changes to the Policy that was approved in 2020 are summarised in the explanatory notes on page 12.

### Share capital authorities

Shareholders will recall from previous years that, as is common practice for listed companies, we request annual shareholder authorities to allot shares and to disapply pre-emption rights, limited in line with best practice guidance. This year, we are seeking revised authorities (in resolutions 17, 18 and 19), in line with recent updates to such guidance. Resolution 17 reflects the Investment Association's (“IA”) share capital management guidelines (“IA guidelines”) as updated in February 2023. As has been the case for many years, the IA guidelines state that the IA will regard as routine an authority to allot up to two-thirds of existing issued share capital, but the updated IA guidelines now permit any amount in excess of one-third of existing issued share capital to be applied to any fully pre-emptive offers (and not just to rights issues, as referred to in the previous IA guidelines). Resolutions 18 and 19 reflect the revised Statement of Principles published by the Pre-emption Group in November 2022, which include an increase in the recommended limit on the disapplication of pre-emption rights. The Board has no current plans to use any of these authorities, but considers it to be in the best interests of shareholders to retain flexibility in the management of the Company's capital in line with the latest guidance. Further explanation is included on pages 16 and 17.

### Authority to issue restricted Tier 1 Capital Instruments

Shareholders will recall that for the last six 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 2022 authority expires at the end of this AGM and we are seeking revised authorities (in resolutions 22 and 23) 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).

## **LETTER FROM THE CHAIR** *continued*

**3 April 2023**

### **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 11.00 a.m. on Thursday, 4 May 2023. Voting instructions are set out in the notes on pages 10 and 19. 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

**Tuesday, 9 May 2023 at 11.00 a.m.**

**The offices of the Company at No. 1 Minster Court, Mincing Lane, London EC3R 7AA**

### Time

The meeting will start at 11.00 a.m. Please arrive no later than 10.45 a.m. for registration.

### Refreshments

Tea and coffee will be served from 10.20 a.m.

### Venue

The meeting will be held on Tuesday, 9 May 2023 at the offices of the Company at No.1 Minster Court, Mincing Lane, London EC3R 7AA.

### Shareholders with special needs

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

### Transport and directions to the venue

#### On foot:

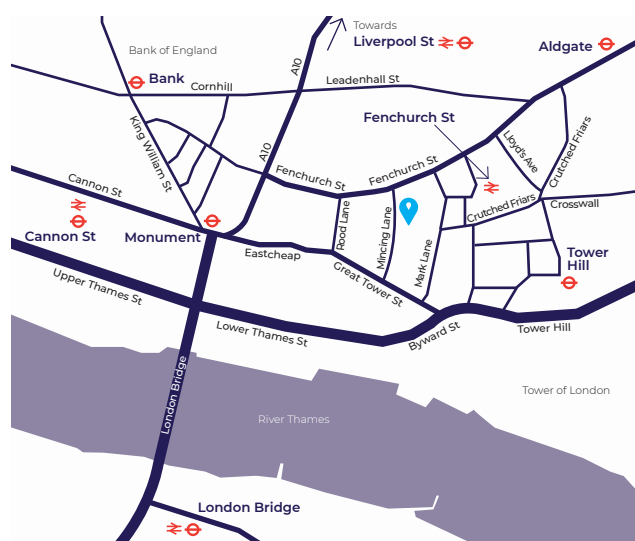
The street-level entrance to No.1 Minster Court is on Mincing Lane, which joins Fenchurch Street to the north and Great Tower Street to the south. Entry to the building can be gained through the revolving doors immediately opposite the Camino restaurant located to the northern end of Mincing Lane.

#### By Underground

There are several stations nearby on different lines: Monument and Tower Hill are both served by the District and Circle lines; Tower Gateway is served by the Docklands Light Railway; and Aldgate is served by the Circle and Metropolitan lines. Each of these stations are within a ten-minute walk of the venue.

#### By Rail

Fenchurch Street, served by C2C, is two minutes' walk away. Canon Street (Southeastern), Liverpool Street (Greater Anglia, Stansted Express, London Overground and TfL Rail) and London Bridge (Southeastern, Southern and Thameslink) are all between ten and fifteen 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 No. 1 Minster Court, Mincing Lane, London EC3R 7AA, at 11.00 a.m. on Tuesday, 9 May 2023, to transact the business set out in the resolutions below.

Resolutions 1 to 17 (inclusive) and 22 will be proposed as ordinary resolutions and resolutions 18 to 21 (inclusive) and 23 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 2022 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 130 to 161 of the Annual Report and Accounts be and is hereby approved (excluding the part setting out the Directors' Remuneration Policy).

#### Resolution 3 – Approval of the Directors' Remuneration Policy

THAT the Directors' Remuneration Policy, the full text of which is set out on pages 151 to 161 of the Annual Report and Accounts, be and is hereby approved, and will take effect from the date on which this resolution is passed.

#### Resolution 4 – Election of Director

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

#### Resolution 5 – Re-election of Director

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

#### Resolution 6 – Re-election of Director

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

#### Resolution 7 – Re-election of Director

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

#### Resolution 8 – Re-election of Director

THAT Sebastian James be and is hereby re-elected as a Director of the Company.

#### Resolution 9 – Re-election of Director

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

#### Resolution 10 – Re-election of Director

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

#### Resolution 11 – Re-election of Director

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

#### Resolution 12 – Re-election of Director

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

#### Resolution 13 – Re-election of Director

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

#### Resolution 14 – Re-appointment of the Auditor

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

#### Resolution 15 – 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 16 – 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:

- a. make political donations to political parties or independent election candidates, not exceeding £100,000 in total;
- b. make political donations to political organisations other than political parties, not exceeding £100,000 in total; and
- c. 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 2024.

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 17 – 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 2024;
- 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 an issue of RTI Instruments).

### **Special Resolutions:**

#### **Resolution 18 – 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 2024.

#### **Resolution 19 – Additional authority to disapply pre-emption rights**

THAT

- i. in addition to any authority granted under Resolution 18, the Directors be given power:
  - a. subject to the passing of Resolution 17, 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

## **NOTICE OF AGM** *continued*

- 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 2024; 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 20 – 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 2024; 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 21 – 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 22 – Authority to allot new shares in relation to an issue of RTI Instruments**

THAT, in addition to the authority granted pursuant to Resolution 17 (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 2024, 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 23 – Disapplication of pre-emption rights in relation to an issue of RTI 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 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 2024, 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 18 (general authority to disapply pre-emption rights) and 19 (additional authority to disapply pre-emption rights).

Reviewed by the Board and signed on its behalf by:



**Roger C Clifton**  
Company Secretary

3 April 2023

## 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 11.00 a.m. on Thursday, 4 May 2023.
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 11.00 a.m. on Thursday, 4 May 2023. 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.

### **The Company's total voting rights**

11. As at Friday, 17 March 2023 (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, 17 March 2023 was 1,311,388,157. No shares are held in treasury.

### **Corporate representatives**

12. 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**

13. Only those shareholders registered in the Register of Members of the Company as at 8.00 p.m. on Thursday, 4 May 2023 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.
14. 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**

15. 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**

16. 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**

17. 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**

18. 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 2022, 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 130 to 161 of the Annual Report & Accounts. As required by the Companies Act 2006, an ordinary resolution to approve the Report (excluding the Directors' Remuneration Policy) 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 – Approval of the Directors' Remuneration Policy

Shareholders are requested to approve the Directors' Remuneration Policy which is set out on pages 151 to 161 of the Annual Report and Accounts. It is proposed to largely roll forward the existing Policy for approval (subject to minor wording clarifications) in particular to remove the minimum weighting on relative Total Shareholder Return ("TSR") of 25% in order to provide greater flexibility in relation to Long-Term Incentive Plan targets. There are currently no plans to remove the relative TSR measure. There are some minor changes to implementing the Policy in 2023, which are outlined in the Remuneration Committee Chair's statement in full on pages 130 to 133, and on page 155 of the Annual Report & Accounts. For the avoidance of doubt these do not form part of the Policy.

In accordance with section 439A of the Companies Act 2006, a separate resolution on the Directors' Remuneration Policy will be put to a vote by shareholders. Once the Directors' Remuneration Policy is approved, the Company will not be able to make a remuneration payment to a current or prospective Director or a payment for loss of office to a current or past Director, unless that payment is consistent with the Directors' Remuneration Policy or has been approved by a resolution of the members of the Company.

### Resolutions 4 to 13 – 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.

Mark Lewis was appointed to the Board as a Non-Executive Director with effect from 30 March 2023 and a resolution will be proposed for his election at this year's AGM.

Tracy Corrigan, Danuta Gray, Mark Gregory, Sebastian James, Adrian Joseph, 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 effectiveness 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 13 to 15 below.

## TRACY CORRIGAN

Independent Non-Executive Director

### Appointed

November 2021

### Committees

Remuneration Committee  
Sustainability Committee

### Key Skills and Experience

- Deep understanding of the development of corporate and digital strategy.
- International experience with broad perspective of business and capital markets.
- Expertise in digital transformation, customer analytics and stakeholder communications.

Tracy's professional background spans financial journalism, digital media and corporate strategy in the media industry. Most recently Tracy was Chief Strategy Officer for Dow Jones where she oversaw the digital transformation of the business and was responsible for global strategy, customer insight and commercial policy. 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 at the Financial Times, including Editor of FT.com and Editor of the Lex Column.

### External Appointments

- Non-Executive Director and member of the Remuneration Committee of Barclays Bank UK plc.
- Non-Executive Director and member of the Audit, Nomination and Sustainability Committees of Domino's Pizza Group plc.
- Non-Executive Director and Chair of the Investment Committee of The Scott Trust.

## MARK GREGORY

Independent Non-Executive Director

### Appointed

March 2018

### Committees

Board Risk Committee (Chair)  
Audit Committee  
Investment 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 previously held the role of Group CFO and Executive Director at Legal & General until 2017 and was CEO of Merian Global Investors from January 2019 to August 2020. During his 19-year career at Legal & General, he held a variety of senior roles including CEO of the Savings business, Managing Director of the With-Profits business, and Resources and International Director. Before joining Legal & General, 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 Risk Committee of Phoenix Group Holdings plc with effect from 1 April 2023.

## 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 having previously been its Chief Executive between 2001 and 2010. During her tenure as Chief Executive she increased the customer base from just under 1 million to 1.7 million. Earlier in her career, Danuta held a variety of senior positions within the BT Group between 1984 and 2001. Additionally, Danuta was previously Senior Independent Director of the Aldermore Group, Non-Executive Chair of St Modwen Properties and a Non-Executive member of the Ministry of Defence Board. She was also NED and Chair of the Remuneration Committee at both PageGroup plc and Old Mutual plc until 2018.

### External Appointments

- Non-Executive Chair of the Board of North.
- Non-Executive Director, Chair of the Remuneration Committee and member of the Nomination Committee of Burberry Group plc.

## SEBASTIAN JAMES

Independent Non-Executive Director

### Appointed

August 2014

### Committees

Sustainability Committee (Chair)  
Nomination and Governance Committee  
Remuneration Committee

### Key Skills and Experience

- Extensive experience in retail and consumer practice with large retail groups.
- Strong track record of business transformation and change.
- Detailed understanding of UK consumer markets, products and brands.

Sebastian is Managing Director of Boots UK, a subsidiary of Walgreens Boots Alliance, Inc. Until 2018, he was Group Chief Executive of Dixons Carphone plc, having previously held the role of Group Chief Executive of Dixons Retail plc from 2012. Before this, Sebastian was CEO of Synergy Insurance Services Limited, a private equity backed insurance company, and was previously Strategy Director at Mothercare plc. He began his career at The Boston Consulting Group.

### External Appointments

- Managing Director of Boots UK, a subsidiary of Walgreens Boots Alliance, Inc.
- Senior Vice President of Walgreens Boots Alliance, Inc.

### **ADRIAN JOSEPH**

Independent Non-Executive Director

#### **Appointed**

January 2021

#### **Committees**

Sustainability 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 Managing Director, Group Data and Artificial Intelligence at BT Group. Before this he held senior roles at EY and Google and has significant industry and consultancy experience. He was a NED at the Home Office (2016-2020) 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 advisor to them. In 2019, Adrian was awarded an OBE for services to equality and diversity in business. 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.

#### **External Appointments**

- Managing Director, Group Data and Artificial Intelligence at BT Group.
- Member of HM Government's AI Council.

### **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 was appointed as CFO in May 2021. Since he joined the Group in 2011, Neil has held several roles in Finance and Strategy from Director of Investor Relations, to Managing Director of NIG and Chief Strategy Officer. Neil was instrumental in the Group's successful IPO in 2012. He brings extensive industry and capital markets experience to the Board having previously worked at Brit Insurance, Merrill Lynch and Fox-Pitt, Kelton. Neil is an Associate of the Institute of Chartered Accountants in England and Wales.

#### **External Appointments**

- None

### **MARK LEWIS**

Independent Non-Executive Director

#### **Appointed**

March 2023

#### **Committees**

N/A

#### **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.
- Proven background spanning financial services, mass retail, consumer goods logistics, management consultancy and advertising.

Most recently, Mark was Chief Executive of Moneysupermarket Group plc between 2017 and 2020. During this time, revenue and profitability increased and Mark transformed the culture which led to improved customer satisfaction, workforce inclusivity and engagement. In earlier roles, he was Retail Director of John Lewis Partnership, Chief Executive of the logistics provider Collect+, European Director of Marketplaces of eBay International AG and senior roles in the Boston Consulting Group and in advertising.

#### **External Appointments**

- Non-Executive Director and member of the Audit, Remuneration, Risk and Responsible Banking Committees of Santander UK plc.

### **FIONA MCBAIN**

Independent Non-Executive Director

#### **Appointed**

September 2018

#### **Committees**

Investment Committee (Chair)  
Audit Committee  
Board Risk 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). 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. 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.
- Chair and Non-Executive Director of the Scottish Mortgage Investment Trust plc.
- Senior Independent Director, Chair of Audit Committee and Non-Executive Director of Monzo Bank Limited.

## **GREGOR STEWART**

Independent Non-Executive Director

### **Appointed**

March 2018

### **Committees**

Audit Committee (Chair)  
Board Risk 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 is a Member of the Institute of Chartered Accountants of Scotland.

### **External Appointments**

- Chair and Non-Executive Director of Alliance Trust plc.
- Chair and Non-Executive Director of FNZ (UK) Limited.
- 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 and was Chief Executive of Lloyd's of London and the International Petroleum Exchange. He also held the role 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 of the Geneva Association.

### **External Appointments**

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

### **Resolution 14 – Re-appointment of the Auditor**

This resolution proposes the re-appointment of the Company's existing Auditor, Deloitte LLP, following the recommendation of the Audit Committee. 2023 will be the last year that Deloitte serve as the Company's Auditor, as following completion of the 2023 audit, Deloitte LLP will step down in line with mandatory rotation requirements.

Following a competitive tender process led by the Company's Audit Committee, on 10 October 2022 the Company announced that the Board will recommend the appointment of KPMG LLP to serve as the Company's Auditor for the financial year ending 31 December 2024 and a resolution will be put forward to shareholders at the Company's 2024 AGM to seek shareholder approval for this.

### **Resolution 15 – Authority to agree the Auditor's remuneration**

This resolution is separate to resolution 14 and proposes to give authority to the Audit Committee of the Board to determine the Auditor's remuneration.

### **Resolution 16 – 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 17 – Authority to allot new shares**

At the AGM on 10 May 2022, 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 2022 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, 17 March 2023, the latest practicable date prior to the publication of this Notice.

In line with the latest institutional guidelines 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, 17 March 2023, 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 2024 (the latest date by which the Company must hold an AGM in 2024) and the conclusion of the AGM of the Company held in 2024.

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 18 – 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 and enhanced in line with the latest institutional shareholder guidelines, including the revised Statement of Principles published by the Pre-Emption Group on 4 November 2022 (the "2022 Statement of Principles").

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, 17 March 2023 (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, 17 March 2023).

The total maximum nominal amount of equity securities to which Resolution 18 relates is £17,167,262 (representing approximately 12% of the issued ordinary share capital of the Company as at Friday, 17 March 2023).



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 18 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 2024.

### **Resolution 19 – Additional authority to disapply pre-emption rights (special resolution)**

Resolution 19 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 2024 or at the conclusion of the AGM in 2024, 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 share 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, 17 March 2023 (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, 17 March 2023).

The total maximum nominal amount of equity securities to which Resolution 19 relates is £17,167,262 (representing approximately 12% of the issued ordinary share capital of the Company as at Friday, 17 March 2023).

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 18.

### **Resolution 20 – Authority to purchase own shares (special resolution)**

This resolution renews the authority that was given at the 2022 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, 17 March 2023, 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, 17 March 2023, being the latest practicable date prior to the publication of this Notice, was 19,294,242. The proportion of issued share capital that they represented at that time was 1.47% and the proportion of issued share capital that they would represent if the full authority to purchase shares (existing and being sought) were used is 1.84%.

During 2022, the Company used the authority to purchase its own shares in the market as granted by the shareholders at Annual General Meetings in 2021 and 2022. A total of 19,324,855 ordinary shares of 10 10/11 pence each were repurchased, representing 1.47% of the called-up share capital as at 31 December 2022. The aggregate consideration paid was £49,697,109.45 and all shares purchased have been cancelled. Further information on the share buyback programme can be found on page 163 of the 2022 Annual Report and Accounts.

**Resolution 21 – 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 2022 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 22 – Authority to allot new ordinary shares in relation to an issue of RTI Instruments**

Resolution 22, will, if approved, renew the authority granted to Directors at the 2022 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, 17 March 2023, being the last 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 22 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 22 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 17, 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 2024. However, the Directors may seek a similar authority in the future.

**Resolution 23 – Disapplication of pre-emption rights in relation to an issue of RTI Instruments (special resolution)**

Resolution 23, which will be proposed as a special resolution, proposes that, in addition to any authority conferred by resolutions 18 (general authority to disapply pre-emption rights) and 19 (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, 17 March 2023, being the last 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 23 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 22, resolution 23 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 2024. However, the Directors may seek a similar authority in the future.

Conditional upon the passing of resolutions 22 and 23, the Directors would not expect to make use of the authorities to allot shares and to disapply pre-emption rights granted by resolutions 17 to 19 to issue RTI Instruments. Any exercise of the authorities in resolutions 17 to 19 (if passed) would be separate from and in addition to the exercise of any powers under resolutions 22 and 23 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 2022.



## 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 proxy appointments no later than 11.00 a.m. Thursday, 4 May 2023 from ordinary shareholders and must receive voting instructions by no later than 5.00 p.m. on Monday, 1 May 2023 from participants in the Company's share incentive plans.



**Direct Line Insurance Group plc© 2023**

Registered in England & Wales No 02280426.

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Westmoreland Road, Bromley, BR11DP