

Company number: 02280426

PUBLIC COMPANY LIMITED BY SHARES

**RESOLUTIONS
OF
DIRECT LINE INSURANCE GROUP PLC**

(the "Company")

At the ANNUAL GENERAL MEETING of the Company, duly convened and held at The Auditorium, Allen & Overy LLP, One Bishops Square, London E1 6AD on the 6th day of June 2013 at 10.00 a.m. the following resolutions were duly passed, resolution 15 and 19 as ordinary resolutions and resolutions 16, 17 and 18 as special resolutions as set out in the Notice of Annual General Meeting dated 2 May 2013:

ORDINARY RESOLUTIONS

15. **"THAT** the Directors be generally and unconditionally authorised pursuant to section 551 of the Companies Act 2006 to allot shares in the Company, and to grant rights to subscribe for or to convert any security into shares in the Company:

- i) up to an aggregate nominal amount of £50,000,000 (such amount to be reduced by the nominal amount of any shares issued or rights granted under paragraph below in excess of such sum); and
- ii) comprising equity securities (as defined in Section 560 of the Companies Act 2006) up to an aggregate nominal amount of £100,000,000 (such amount to be reduced by the nominal amount of any shares issued or rights granted under paragraph i) above) in connection with an offer by way of a rights issue:
 - 1 to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - 2 to people who are holders of other equity securities if this is required by the rights of those securities or, if the Directors consider it necessary, as permitted by the rights of those securities;

and so that the Directors may make such exclusions or other arrangements as the Board considers expedient in relation to treasury shares, fractional

entitlements, record dates, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter;

for a period expiring (unless previously renewed, varied or revoked by the Company in general meeting) at the end of the next AGM of the Company after the date on which this resolution is passed (or, if earlier, at the close of business on 30 June 2014); but in each case, before the authority expires, the Company may make an offer or agreement which would or might require shares to be allotted, or rights to subscribe for or convert any security into shares to be granted, after expiry of this authority and the Directors may allot shares and grant rights in pursuance of that offer or agreement as if this authority had not expired.

19. **THAT** in accordance with section 366 of the Companies Act 2006 the Company and its Directors 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, the close of business on 30 June 2014, 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. 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.

SPECIAL RESOLUTIONS

16. **THAT**, subject to the passing of resolution 15, the Directors be and are hereby generally and unconditionally empowered pursuant to section 571(1) of the Companies Act 2006 to allot equity securities (as defined in section 560 of the Companies Act 2006 for cash under the authority given by resolution 15 and/or where the allotment is treated as an allotment of equity securities under section 560(3) of the Companies Act 2006, as if section 561(1) of the Companies Act 2006 did not apply to such allotment, provided that this power shall be limited:

- i) to the allotment of equity securities in connection with an offer of equity securities (but in case of the authority granted under paragraph i) of resolution 15, by way of a rights issue only):
 - a) to ordinary shareholders in proportion (as nearly as may be practicable) to their respective existing holdings; and
 - b) to holders of other equity securities, as required by the rights of those securities or, as the Directors otherwise consider necessary,

and so that the Directors may make such exclusions or other arrangements as the Board considers expedient in relation to treasury shares, fractional entitlements, record dates, legal or practical problems under the laws in any territory or the requirements of any relevant regulatory body or stock exchange or any other matter;
- ii) in the case of the authority granted under paragraph i) of resolution 15, to the allotment (otherwise than under paragraph i) above) of equity securities up to a nominal value of £7,500,000,

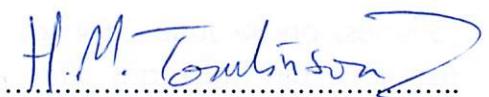
such authorities to apply in substitution for all previous authorities pursuant to Section 551 of the 2006 Act and to expire at the end of next year's AGM or, if earlier, the close of business on 30 June 2014 save that, in each case, the Company may before such expiry make any offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of any such offer or agreement as if the authority conferred hereby had not expired.

17. **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 of 10 pence each, subject to the following conditions:

- i) the maximum number of ordinary shares hereby authorised to be purchased shall be 150,000,000;
- ii) the minimum price (exclusive of expenses) which may be paid for an ordinary share is 10 pence;
- 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 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 next year's AGM or 18 months from the date of this resolution (whichever is earlier);
- 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 not yet been executed.

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



Humphrey Tomlinson

Secretary