
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 15th day of May 2014 at 10.00 a.m. the following resolutions were duly passed, resolutions 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 20 March 2014:

ORDINARY RESOLUTIONS

Resolution 15 – Authority to allot new shares

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 equity securities under paragraph ii) 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:
 - a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their existing holdings; and
 - b) 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 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 2015); 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.

Resolution 19 – Political donations and expenditure

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 2015, 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, close of business on 30 June 2015. 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

Resolution 16 – Authority to disapply pre-emption rights

THAT subject to the passing of resolution 15, the Directors be and are hereby generally and unconditionally empowered 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 ii) of resolution 15, by way of a rights issue only):
 - a) to holders of ordinary shares in proportion (as nearly as may be practicable) to their 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 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 and to expire at the end of next year's AGM or, if earlier, the close of business on 30 June 2015 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.

Resolution 17 – 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 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 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 next year's AGM or close of business on 30 June 2015 (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.

Resolution 18 – 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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Roger Clifton

Company Secretary

15 May 2014