

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 offices of Allen & Overy LLP, One Bishops Square, London E1 6AD on the 12th day of May 2016 at 11.00 a.m., the following resolutions were duly passed, resolutions 14 and 15 as ordinary resolutions and resolutions 16, 17 and 18 as special resolutions as set out in the Notice of Annual General Meeting dated 22 April 2016:

ORDINARY RESOLUTIONS

Resolution 14 – 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 2017, 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 2017. 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 15 – 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 2017; 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).

SPECIAL RESOLUTIONS

Resolution 16 – 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 £ 15,000,000;
- 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 2017; and
- iv) all previous unutilised authorities under sections 570 and 573 of the Companies Act 2006 shall cease to have effect.

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 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 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 the next AGM of the Company after the passing of this resolution or, if earlier, at the close of business on 30 June 2017;
- 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 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.