

**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 your stockbroker, solicitor, accountant or other independent adviser authorised under the Financial Services and Markets Act 2000.**

**If you have sold or otherwise transferred all your shares in ADMIRAL GROUP PLC (the Company), please forward this document, together with the accompanying documents, 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.**

**ADMIRAL GROUP PLC**

*(Registered in England and Wales No. 3849958)*

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE OF THE 2016 ANNUAL GENERAL MEETING AND A LETTER FROM YOUR CHAIRMAN, INCLUDING AN EXPLANATION OF THE SPECIAL BUSINESS TO BE CONDUCTED AT THAT MEETING, WHICH IS TO BE HELD ON THURSDAY 28 APRIL 2016 AT 2PM AT CARDIFF CITY HALL, CATHAYS PARK, CARDIFF CF10 3ND, WALES IS SET OUT ON PAGES 2 TO 11 OF THIS DOCUMENT.**

*Whether or not you propose to attend the Annual General Meeting, please complete and submit the enclosed Form of Proxy in accordance with the instructions printed on it. The Form of Proxy must be completed, signed and returned so as to reach the Company's Registrars by no later than 2.00 p.m. on Tuesday 26 April 2016.*

## **ADMIRAL GROUP PLC**

*(Incorporated in England and Wales with registered number 3849958)*

### *Directors:*

*Alastair Lyons (Chairman)*  
*Henry Engelhardt*  
*David Stevens*  
*Geraint Jones*  
*Margaret Johnson*  
*Lucy Kellaway*  
*Colin Holmes*  
*Annette Court*  
*Jean Park*  
*Penny James*  
*Manning Rountree*  
*Owen Clarke*

### *Registered office:*

*Tŷ Admiral*  
*David Street*  
*Cardiff*  
*CF10 2EH*

22 March 2016

Dear Shareholder

### **Notice of Annual General Meeting of ADMIRAL GROUP PLC (the Company)**

I am writing to inform you that the Annual General Meeting (the **AGM**) of the Company will be held at Cardiff City Hall, Cathays Park, Cardiff CF10 3ND, Wales, on Thursday 28 April 2016 at 2.00 p.m. The formal notice of the AGM and resolutions to be proposed are set out on pages 8 to 11 of this document.

The notes on the following pages give an explanation of the proposed resolutions. Resolutions 1 to 17 are proposed as ordinary resolutions. This means that for each of those resolutions to be passed, more than half of the votes cast must be in favour of the resolution. Resolutions 18 to 20 are proposed as special resolutions. This means that for each of those resolutions to be passed, at least three-quarters of the votes cast must be in favour of the resolution.

### **ORDINARY BUSINESS**

#### **Annual report and accounts (Resolution 1)**

The Directors present to Shareholders at the AGM the annual report and accounts for the year ended 31 December 2015 together with the Directors' and Auditors' reports on the annual report and accounts.

#### **Directors' Remuneration Report (Resolution 2)**

Shareholders are asked to receive and approve the Directors' Remuneration Report for the year ended 31 December 2015. The Directors' Remuneration Report is set out in full in the annual report of the Company. The vote is advisory only, and the Directors' entitlement to remuneration is not conditional on the resolution being passed. A resolution to approve the Directors' Remuneration Policy (set out in full in the 2014 Annual Report and Accounts) was approved by shareholders at the 2015 AGM.

#### **Dividends (Resolution 3)**

A final dividend of 63.4 pence per ordinary share is recommended by the Directors for payment to shareholders on the register of members at the close of business on 13 May 2016. If approved by shareholders, the final dividend will become due and payable on 3 June 2016. In accordance with proposals

by the Prudential Regulatory Authority (**PRA**) for implementing the Solvency II regime made in March 2015, the dividend is required to remain cancellable at any point prior to its becoming due and payable on 3 June 2016. The directors have no intention of exercising this cancellation right, other than were they to be required to do so by the PRA.

#### **Appointment of Director (Resolutions 4 and 5)**

In accordance with the requirement in the articles of association of the Company that a Director appointed by the Board shall retire at the first annual general meeting of the Company following his or her appointment, Manning Rountree and Owen Clarke will offer themselves for election by shareholders at the forthcoming AGM.

Manning Rountree was appointed to the Board as a Non-Executive Director on 16 June 2015. Owen Clarke was appointed to the Board as a Non-Executive Director on 19 August 2015.

Biographical details of Manning and Owen may be found in the annual report of the Company.

The Board is of the view that Manning Rountree should be elected as a Non-Executive Director. Manning is a senior executive at White Mountains Holding Group (**White Mountains**), a publicly-traded holding company for insurance and financial interests around the world and his experience in the US insurance sector will be invaluable as the Company's auto insurance and price comparison businesses develop in the US. Manning already contributes valuable input as a member of the Board of compare.com, the Company's US price comparison business in which White Mountains has an investment. He is considered to be effective in his role and is committed to making available the appropriate time for Board meetings and the other duties required by his role.

The Board is of the view that Owen Clarke should be elected as a Non-Executive Director. Owen is currently the Chief Investment Officer of Equistone (formerly Barclays Private Equity) and has a great commercial record. He has an excellent understanding of the Company's business and culture, having served as a director of Admiral from 1999 to 2004 when it was a private company having led Barclays Private Equity's participation in the Management Buy-Out of Admiral in 1999. He is considered to be effective in his role and is committed to making available the appropriate time for Board meetings and the other duties required by his role.

#### **Reappointment of Directors (Resolutions 6, 7, 8, 9, 10, 11, 12 and 13)**

According to the articles of association of the Company a minimum of one third of Directors (or if this is not a whole number, the nearest number not exceeding one third) should retire by rotation. In addition, any Director who was elected or last re-elected at or before the AGM held in the third calendar year before the current year shall retire by rotation. However, in accordance with the recommendations of the UK Corporate Governance Code all of the directors will voluntarily submit themselves for re-election by shareholders at the forthcoming AGM.

Biographical details of all of the Directors may be found in the annual report of the Company.

Having considered the performance of, and contribution made by, each of the Directors standing for re-election following the evaluation of their performance by the Chairman, the Board remains satisfied that each of the relevant Directors performs effectively and demonstrates full commitment to their individual role, including the appropriate commitment of time to Board and Committee meetings and their other duties.

It should be noted that although Henry Engelhardt is standing for re-election as an Executive Director, the duration of his appointment will only be for the period until he steps down from the Board on his retirement as Group Chief Executive on 12 May 2016 (as was announced by the Company on 13 May 2015).

## **Auditors (Resolutions 14 and 15)**

The Company is required at each general meeting at which accounts are presented to appoint auditors to hold office until the next such meeting. Following the completion of a transparent and independent audit tender process led by the Audit Committee, the Board approved the appointment of Deloitte LLP as the Company's new auditor for the financial year ending 31 December 2016. KMPG Plc will cease to hold office as the Company's auditor at the conclusion of the Annual General Meeting and have provided a statement, as required by company law, which is set out at Appendix 1.

The Board recommends that Deloitte LLP be appointed as auditor of the Company until the conclusion of the next general meeting at which accounts are laid before shareholders and that the Directors are authorised to determine their remuneration.

## **SPECIAL BUSINESS**

### **Amendment to the rules of the Admiral Group plc 2015 Discretionary Free Share Scheme (DFSS) for operation in France (Resolution 16)**

At the last AGM of the Company, shareholders approved the adoption of the DFSS. As summarised in the shareholder circular last year, as well as for discretionary share awards to senior management the DFSS is used for free share awards to overseas participants broadly equivalent to the free share awards made under The Admiral Group plc HMRC Share Incentive Plan (**SIP**).

As a consequence of changes in French tax and social security legislation in August 2015 (the Macron Law dated August 6<sup>th</sup> 2015 "*Loi pour la croissance et l'égalité des chances économiques*"), French tax-advantaged share plans have become more attractive for both the Company and participants as a way of providing the equivalent to the SIP in France. The remuneration committee of the Board ("**RemCo**") considers it appropriate to amend the rules of the DFSS to add a sub-plan (**the French Sub-Plan**) to apply to participants resident in France. Awards made under the French Sub-Plan are subject to the same terms as those granted under the main part of the DFSS, except as otherwise required in order to comply with the French tax and social security legislation relating to tax-advantaged plans. Any shares made available under the French Sub-Plan will be subject to both the individual limits and overall limits that apply to the DFSS, as well as to any more restrictive limits and requirements provided for by the French Sub-Plan. The overall limit set out in the DFSS states that an award of shares may not be granted if the result of granting the award would be that the aggregate number of shares issued or committed to be issued in the preceding 10 year period under the DFSS or any other share plan operated by the Company would exceed 10 per cent of the Company's issued ordinary share capital at that time.

By virtue of approving the DFSS at last year's AGM, shareholders have already given the board of directors of the Company authority to add sub-plans to the DFSS and the power to amend the DFSS in order to obtain or maintain favourable tax, social security, exchange control or regulatory treatment for award holders, the Company and/or its other Group companies. It is however a requirement of French law since August 2015 that shareholder authorisation is sought specifically for the French Sub-Plan in order to make it effective for French tax and social security purposes and it is that authorisation that is now sought pursuant to Resolution 16.

The amended rules of the DFSS will be available for inspection during normal business hours on Monday to Friday (excluding bank holidays) at the Company's registered office of Tŷ Admiral, David Street, Cardiff, CF10 2EH and at the offices of Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ from the date of this document until the close of the AGM and at the place of the AGM for at least 15 minutes before the AGM and during the AGM.

### **Authority of Directors to allot shares (Resolution 17)**

The authority given to the Directors to allot further shares in the capital of the Company requires the prior authorisation of the shareholders in general meeting under section 551 Companies Act 2006 (**CA 2006**). This authority was given at the 2015 AGM and this resolution seeks to renew that authority. Upon the passing of resolution 17, the Directors will have authority to allot shares up to a maximum of £93,049 which is approximately 33 per cent. of the current issued share capital as at 18 March 2016, being the latest practicable date before the publication of this Notice. This authority will expire at the conclusion of the next annual general meeting of the Company. The Directors intend to seek to renew such authority at successive AGMs of the Company.

In addition, in accordance with the guidance from the Association of British Insurers (**ABI**) on the expectations of institutional investors in relation to the authority of directors to allot shares, upon the passing of resolution 17 (ii), the Directors will have authority to allot an additional number of ordinary shares up to a maximum of £93,049, which is approximately a further 33 per cent. of the current issued share capital as at 18 March 2016, being the latest practical date before the publication of this Notice. However, the Directors will only be able to allot those shares for the purposes of a rights issue in which the new shares are offered to existing shareholders in proportion to their existing shareholdings and, to holders of other equity securities as required by the rights of those securities or as the Directors otherwise consider necessary. This authority will also expire at the conclusion of the next AGM of the Company. The Directors intend to seek to renew such authority at successive AGMs of the Company.

As a result, if resolution 17 is passed, the Directors could allot shares representing up to two-thirds of the current issued share capital pursuant to a rights issue. There are no current plans to use such an authority. However, if the Directors do conduct a rights issue and the number of shares issued exceeds one-third of the issued share capital and the monetary proceeds from the rights issue exceed one-third of the Company's pre-issue market capitalisation, then, in accordance with the ABI's guidance, the Directors will all offer themselves for re-election at the AGM of the Company following the decision to make the rights issue.

#### **Disapplication of pre-emption rights (Resolution 18)**

Resolution 18 renews the authority provided at the 2015 AGM and would authorise the Directors to disapply rights of pre-emption by allowing the Directors to allot shares for cash (i) by way of a rights issue (subject to certain exclusions), (ii) by way of an open offer or other offer of securities (not being a rights issue) in favour of existing shareholders in proportion to their shareholdings (subject to certain exclusions) and (iii) to persons other than existing shareholders up to an aggregate nominal value of £28,197 which is equivalent to approximately 10 per cent. of the issued share capital of the Company on 18 March 2016, being the latest practicable date prior to the printing of this Notice. The Pre-Emption Group's Statement of Principles, were updated in March 2015 (**the Statement of Principles**) and include a provision to increase the limit by which the Directors are authorised to disapply rights of pre-emption from 5 per cent to 10 per cent, subject to the provisions set out in the Statement of Principles. As set out in (iii) above, approval has been sought for such an increase. In exercising this power, the Directors intend to adhere to the provisions in the Statement of Principles and not to allot shares for cash on a non pre-emptive basis pursuant to the authority in resolution 18:-

(a) in excess of an amount equal to 5 per cent. of the total issued ordinary share capital of the Company excluding treasury shares; or

(b) in excess of an amount equal to 7.5 per cent. of the total issued ordinary share capital of the Company excluding treasury shares within a rolling three year period without prior consultation with shareholders,

in each case other than in connection with an acquisition or specified capital investment which is announced contemporaneously with the allotment or which has taken place in the preceding six-month period and is disclosed in the announcement of the allotment.

If given, the authority will expire at the conclusion of the next AGM of the Company. The Directors intend to seek to renew such power at successive AGMs of the Company.

The Directors have no current plans to allot shares, except in connection with the Company's employee share schemes.

In addition and in line with best practice, the Company has not issued more than 7.5 per cent. of its issued share capital on a non-pro-rata basis over the last three years.

#### **Authority for the Company to purchase its own shares (Resolution 19)**

The Company's Articles of Association permit the purchase by the Company of its own shares subject to shareholders' prior approval being obtained. This resolution also renews the authority provided at the 2015 AGM to authorise the Company to buy back up to 14,098,363 ordinary shares. If given, the authority will expire 15 months from the date of the passing of the resolution, or, if earlier, at the conclusion of the next AGM of the Company. The Directors intend to seek to renew this power at subsequent AGMs of the Company.

The resolution specifies the maximum number of ordinary shares which may be purchased (representing 5 per cent. of the Company's issued ordinary share capital as at 18 March 2016) and the maximum and minimum prices at which they may be bought, exclusive of expenses, reflecting the requirements of the CA 2006 and the Listing Rules. Any buy back would only be made on the London Stock Exchange.

Given the increase in staff numbers, the continued determination to maintain staff participation in the Company's share plans and the necessity to remain within the dilution rules set out in those plans, if this resolution is passed by shareholders the Company may seek to exercise this authority solely for the purpose of purchasing shares in the market in order to supplement the shares available for distribution to staff under the Company's share plans. Prior to exercising this authority the Company's Remuneration Committee will review fully the potential impact on the measures used to determine the Company's incentive awards and would make proposals to the Board as appropriate in order that they can determine whether such purchase is in the best interests of all shareholders.

Under the CA 2006, the Company is allowed to hold its own shares in treasury following a buy back, instead of cancelling them. This gives the Company the ability to re-issue treasury shares quickly and cost-effectively (including pursuant to the authority under resolution 19) and provides the Company with additional flexibility in the management of its capital base. Such shares may be resold for cash but all rights attaching to them, including voting rights and any right to receive dividends, are suspended whilst they are held in treasury. If the Board exercises the authority conferred by resolution 19, the Company will have the option of either holding in treasury or of cancelling any of its own shares purchased pursuant to this authority and will decide at the time of purchase which option to pursue.

As at 18 March 2016, being the latest practicable date before the publication of this Notice, the Company held no equity securities in treasury.

#### **Notice Period for meetings (Resolution 20)**

This resolution seeks to renew the approval given by shareholders at the 2015 AGM and is required to reflect the implementation of the Shareholder Rights Directive (**the Directive**). The regulation implementing this Directive increases the notice period for general meetings of the Company to 21 days (unless certain criteria are met). The Articles of the Company allow the Company to call general meetings (other than an annual general meeting of the Company) on 14 clear days' notice and the Directors would like to preserve this ability notwithstanding that the Directive has been implemented. In order to be able so to do, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 20 seeks such approval. The approval will be effective until the Company's next AGM, when it is intended that a similar resolution will be proposed. The Company will also need to meet the requirements for electronic voting under the Directive before it can call a general meeting on 14 days' notice.

The shorter notice period would not be used as a matter of routine for such meetings, but only where such flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

**Action to be taken**

You will find enclosed a form of proxy for use at the AGM. Please complete, sign and return the enclosed form as soon as possible in accordance with the instructions printed thereon, whether or not you intend to be present at the AGM. Forms of proxy should be returned so as to be received by Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent BR3 4ZF as soon as possible and in any event no later than 48 hours before the time appointed for holding the AGM.

**Recommendation**

Your Directors consider that all the resolutions to be put to the meeting are in the best interests of the Company and its shareholders as a whole and unanimously recommend shareholders to vote in favour of all the resolutions, as they intend to in respect of their own beneficial holdings.

Yours sincerely

Alastair Lyons

Non-Executive Chairman

## ADMIRAL GROUP PLC

*(Incorporated in England and Wales with registered number 3849958)*

### **Notice of Annual General Meeting**

Notice is hereby given that the Annual General Meeting of Admiral Group plc (**the Company**) will be held at Cardiff City Hall, Cathays Park, Cardiff, CF10 3ND, Wales on Thursday 28 April 2016 at 2.00pm, for the transaction of the following business: resolutions 1 to 17 will be proposed as ordinary resolutions and resolutions 18 to 20 will be proposed as special resolutions.

#### **As ordinary business:**

- 1 To receive the Financial Statements and the reports of the Directors and the auditors for the year ended 31 December 2015.
- 2 To approve the Directors' Remuneration Report for the year ended 31 December 2015.
- 3 To declare a final dividend on the ordinary shares of the Company for the year ended 31 December 2015 of 63.4 pence per ordinary share.
- 4 To appoint Manning Rountree ((Non-Executive Director) as a Director of the Company.
- 5 To appoint Owen Clarke (Non-Executive Director) as a Director of the Company.
- 6 To re-elect Alastair Lyons (Non-Executive Director) as a Director and Chairman of the Company.
- 7 To re-elect Henry Engelhardt (Executive Director) as a Director of the Company.
- 8 To re-elect David Stevens (Executive Director) as a Director of the Company.
- 9 To re-elect Geraint Jones (Executive Director) as a Director of the Company.
- 10 To re-elect Colin Holmes (Non-Executive Director) as a Director of the Company.
- 11 To re-elect Annette Court (Non-Executive Director) as a Director of the Company.
- 12 To re-elect Jean Park (Non-Executive Director) as a Director of the Company.
- 13 To re-elect Penny James (Non-Executive Director) as a Director of the Company.
- 14 To appoint Deloitte LLP as the Auditors of the Company from the conclusion of this meeting until the conclusion of the next general meeting at which accounts are laid.
- 15 To authorise the Directors to determine the remuneration of Deloitte LLP.

#### **As special business:**

- 16 To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

That

- (a) the rules of The Admiral Group plc 2015 Discretionary Free Share Scheme ("DFSS") are amended to add a sub-plan (the "French Sub-Plan") to apply to participants resident in France;



- (b) the board of directors of the Company or a duly authorised committee be and is hereby authorised, for a period of 76 months maximum from the date of approval of this resolution, to grant awards over ordinary shares in the Company under the French-Sub-Plan in accordance with its provisions and do all such other acts as are required to administer the French Sub-Plan.

17 To consider and, if thought fit, to pass the following resolution as an ordinary resolution:

THAT the Directors be and they are hereby generally and unconditionally authorised in accordance with section 551 Companies Act 2006 (**CA 2006**) to exercise all the powers of the Company 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 £93,049 (such amount to be reduced by the aggregate nominal amount allotted or granted under paragraph (ii) of this resolution 17 in excess of £93,049); and
- (ii) comprising equity securities (within the meaning of section 560(1) CA 2006) up to a further aggregate nominal amount of £93,049 (such amount to be reduced by the aggregate nominal amount allotted or granted under paragraph (i) of this resolution 17) in connection with a rights issue:
  - (a) to ordinary shareholders 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 that the directors may impose any limits or restrictions and make any arrangements which they consider necessary or appropriate to deal with treasury shares, fractional entitlements, record dates, legal, regulatory or practical problems in, or under the laws of, any territory or any other matter.

provided that the authorities conferred by sub-paragraphs (i) and (ii) above shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the conclusion of the next annual general meeting of the Company after the date of the passing of this resolution, save that the Company may before such expiry make an offer or agreement which would or might require relevant securities or equity securities (as the case may be) to be allotted after such expiry and the Directors may allot relevant securities or equity securities (as the case may be) in pursuance of such an offer or agreement as if the authority conferred hereby had not expired. References in this resolution 17 to the nominal amount of rights to subscribe for or to convert any security into shares (including where such rights are referred to as equity securities as defined in section 560(1) of the CA 2006) are to the nominal amount of shares that may be allotted pursuant to the rights.

18 To consider and, if thought fit, to pass the following resolution as a special resolution:

THAT the Directors be and they are hereby empowered subject to the passing of resolution 17, pursuant to section 570 CA 2006, to allot equity securities (within the meaning of section 560(1) CA 2006) for cash and/or pursuant to section 573 CA 2006 to sell ordinary shares held by the Company as treasury shares for cash, in each case as if section 561(1) CA 2006 did not apply to any such allotment, provided that this power shall be limited to the allotment of equity securities and sale of treasury shares for cash:

- (i) pursuant to the authority conferred by sub-paragraph (i) and/or sub-paragraph (ii) of resolution 17 above, in connection with an offer of, or invitation to apply for, such securities by way of a rights issue in favour of holders of ordinary shares in the Company where the equity securities

respectively attributable to the interests of all such holders are proportionate (as nearly as may be practicable) to their respective holdings of ordinary shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to treasury shares, fractional entitlements or any legal or practical problems under the laws of, or the requirements of any regulatory body or any stock exchange in, any territory or by virtue of shares being represented by depositary receipts or otherwise howsoever);

- (ii) pursuant to the authority conferred by sub-paragraph (i) of resolution 17 above (in each case otherwise than in the circumstances set out in sub-paragraph (i) of this resolution 18) up to an aggregate nominal amount of £28,197 which is equivalent to approximately 10 per cent. of the issued share capital of the Company on 18 March 2016 being the latest practicable date before publication of this Notice; and
- (iii) otherwise than pursuant to sub-paragraphs (i) and (ii) above, up to an aggregate nominal amount of £28,197.

and shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire at the conclusion of the next annual general meeting of the Company after the date of the passing of this resolution 18, except that the Company may before such expiry make an 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 such offer or agreement as if the power conferred hereby had not expired.

19. To consider and, if thought fit, to pass the following resolution as a special resolution:

THAT the Company be generally and unconditionally authorised, pursuant to and in accordance with Section 701 CA 2006, to make one or more market purchases (within the meaning of Section 693(4) of the CA 2006) on the London Stock Exchange of ordinary shares of 0.1p in the capital of the Company (ordinary shares) provided that:

- (i) the maximum aggregate number of ordinary shares authorised to be purchased is 14,098,363 (representing 5.00% of the issued ordinary share capital);
- (ii) the minimum price which may be paid for an ordinary share is the nominal value of such share;
- (iii) the maximum price which may be paid for an ordinary share is an amount equal to 105% of the average of the middle market quotations for an ordinary share as derived from The London Stock Exchange Daily Official List for the 5 business days immediately preceding the day on which the ordinary share is purchased, exclusive of expenses;
- (iv) the authority conferred by this resolution 19 shall, unless renewed, expire on the date falling 15 months after the date of the passing of this resolution 19, or if earlier, at the conclusion of the next annual general meeting of the Company; and
- (v) the Company may make a contract to purchase ordinary shares under this authority before the expiry of the authority which will or may be executed wholly or partly after the expiry of the authority, and may make a purchase of ordinary shares in pursuance of any such contract.

20. To consider and, if thought fit, pass the following resolution as a special resolution:

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

BY ORDER OF THE BOARD

Mark Waters

Company Secretary

22 March 2016

REGISTERED OFFICE

Tŷ Admiral, David Street

Cardiff, CF10 2EH

Registered No. 3849958

## Notes to the Notice of Annual General Meeting.

- 1 A member entitled to attend and vote at the Annual General Meeting (**AGM**) may appoint one or more proxies to exercise all or any of his rights to attend, speak and vote at the AGM. A member can appoint more than one proxy in relation to the AGM, provided that each proxy is appointed to exercise the rights attaching to different shares held by him. A proxy need not be a member of the Company. A Form of Proxy, which may be used to make such appointment and give proxy instructions, accompanies this notice. Completion and submission of a Form of Proxy appointing a proxy will not preclude a member from attending and voting in person at the AGM.

In order to be valid an appointment of proxy must be returned by one of the following methods:

- in hard copy form by post, by courier or by hand to Capita Asset Services, PXS1, 34 Beckenham Road, Beckenham, Kent, BR3 4TU; or
- if you hold your shares in certificated form and have your share certificate to hand, online at [www.admiral-shareholder.co.uk](http://www.admiral-shareholder.co.uk) by following the instructions provided; or
- in the case of CREST members, by utilising the CREST electronic proxy appointment service in accordance with the procedures set out below,

and in each case instructions must be received not less than 48 hours before the time of the meeting.

The proxy appointment and any power of attorney or other authority under which the proxy appointment is made must be received by Capita Asset Services not less than 48 hours before the time for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used. Please note that any electronic communication sent to the Company or to Capita Asset Services that is found to contain a computer virus will not be accepted and that a proxy form lodged electronically will be invalid unless it is lodged at the electronic address specified above. The use of the internet service in connection with the AGM is governed by Capita Asset Services' conditions of use set out on the website, [www.capitashareportal.com](http://www.capitashareportal.com) and may be read by logging on to that site. If you want to make more than one proxy appointment please complete and submit a hard copy proxy form to Capita Asset Services at the address set out above, attaching a schedule of appointees and the number of shares they are representing. If you want to appoint more than one proxy electronically please contact Capita Asset Services on 0871 664 0300 (calls cost 12p per minute plus network extras).

If a member wishes to appoint more than one proxy and so requires additional Forms of Proxy, the member should contact Capita Asset Services on 0871 664 0300 (calls cost 12p per minute plus network extras).

CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the AGM and any adjournment thereof by using the procedures described in the CREST Manual on the Euroclear website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting 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.

In order for a proxy appointment, or instruction, made by means of CREST 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 instructions, as described in the CREST Manual on the Euroclear website ([www.euroclear.com/CREST](http://www.euroclear.com/CREST)). The message, regardless of whether it relates to the appointment of

a proxy or to 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 issuer's agent (ID RA 10) by the latest time(s) for receipt of proxy appointments specified in the Notice of Meeting. 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 Applications 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. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5) of the Uncertificated Securities Regulations 2001.

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 messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy instructions. It is therefore the responsibility of the CREST member concerned (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that their CREST sponsor or voting service provider(s) to take 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.

The right to appoint a proxy does not apply to persons whose shares are held on their behalf by another person and who has been nominated to receive communications from the company in accordance with section 146 CA 2006 (**Nominated Persons**). Nominated Persons may have a right under an agreement with the registered shareholder who holds the shares on their behalf to be appointed (or to have someone else appointed) as a proxy. Alternatively, if Nominated Persons do not have such a right, or do not wish to exercise it, they may have a right under such an agreement to give instructions to the person holding the shares as to the exercise of voting rights.

Nominated Persons should also remember that their main point of contact in terms of their investment in the Company remains the member who nominated the Nominated Person to enjoy information rights (or, perhaps the custodian or broker who administers the investment on their behalf). Nominated Persons should continue to contact that member, custodian or broker (and not the Company) regarding any changes or queries relating to the Nominated Person's personal details and interest in the Company (including any administrative matter). The only exception to this is where the Company expressly requests a response from a Nominated Person.

- 2 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. Pursuant to Regulation 41(1) of the Uncertificated Securities Regulations 2001 and for the purposes of section 360B CA 2006, in order to be able to attend and vote at the AGM or any adjourned meeting, (and also for the purposes of calculating how many votes a person may cast), a person must have his/her name entered on the register of members of the Company by 6.00 p.m. on **26 April 2016** (or 6.00 p.m. on the date two days before any adjourned meeting). Changes to entries on the register of members after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting.
- 3 As at 18 March 2016, being the last business day prior to the printing of this Notice, the Company's issued capital consisted of 281,967,266 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 18 March 2016 are 281,967,266.
- 4 Under section 527 CA 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 accounts (including the auditor's report and the conduct of the audit) that are to be laid before the meeting; or
- (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 CA 2006.

The Company may not require the members requesting any such website publication to pay its expenses in complying with sections 527 or 528 CA 2006. Where the Company is required to place a statement on a website under section 527 CA 2006, 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 meeting includes any statement that the Company has been required under section 527 CA 2006 to publish on a website.

- 5 Any member attending the meeting has the right to ask questions. The Company must cause to be answered any question relating to the business being dealt with at the meeting put by a member attending the meeting. However, members should note that no answer need be given in the following circumstances:
  - (i) if to do so would interfere unduly with the preparation of the meeting or would involve a disclosure of confidential information;
  - (ii) if the answer has already been given on a website in the form of an answer to a question; or
  - (iii) if it is undesirable in the interests in the Company or the good order of the meeting that the question be answered.
- 6 Voting at the meeting on all resolutions will be conducted by way of a poll rather than a show of hands. The Company considers this to be a more transparent method of voting as member votes will be counted according to the number of shares held. As soon as practicable following the meeting, the results of the voting at the meeting and the number of proxy votes cast for and against and the number of votes actively withheld in respect of each of the resolutions proposed at the meeting will be announced via a Regulatory Information Service and also placed on the Company's website [www.admiralgroup.co.uk](http://www.admiralgroup.co.uk).
- 7 This Notice, together with information about the total numbers of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting as at 18 March 2016, being the last business day prior to the printing of this Notice and, if applicable, any members' statements, members' resolutions or members' matters of business received by the Company after the date of this Notice, will be available on the Company's website [www.admiralgroup.co.uk](http://www.admiralgroup.co.uk).
- 8 Any electronic address provided either in this Notice or in any related documents (including the Form of Proxy) may not be used to communicate with the Company for any purposes other than those expressly stated.
- 9 Biographical details of the Directors are shown in the Annual Report and Accounts.
- 10 The following documents will be available for inspection at the registered office of the Company during normal business hours until the time of the meeting and at the meeting venue for at least 15 minutes prior to the start of the meeting until the end of the meeting:
  - Copies of the letters of appointment of the non-executive directors;

- Copies of the service contracts of the executive directors;
  - The register of Director's interests in the share capital of the Company.
- 12 A copy of the amended rules of the Admiral Group plc 2015 Discretionary Free Share Scheme will also be available for inspection at the offices of Clifford Chance LLP, 10 Upper Bank Street, London, E14 5JJ during normal business hours from the date of sending this Notice until close of the meeting.



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**Private & confidential**

Admiral Group plc  
Ty Admiral  
David Street  
Cardiff  
CF10 2EH

Our ref kb/pj

15 March 2016

Dear Company Secretary

**Statement to Admiral Group plc (no. 03849958) on ceasing to hold office as auditors pursuant to section 519 of the Companies Act 2006**

The reason connected with our ceasing to hold office is the holding of a competitive tender for the audit, in which we were unsuccessful in retaining the audit.

Yours faithfully

*KPMG LLP*

KPMG LLP  
Audit registration number: 9188307  
Audit registration address:  
15 Canada Square  
Canary Wharf, London E14 5GL