

Additional information

Market

The Company has a primary listing on the UK Listing Authority's Official List and its Ordinary Shares are admitted to trading on the London Stock Exchange.

Share ownership

Share capital

The details of the Company's share capital are presented in note 27 to the consolidated financial statements.

Dividends

The Group aims to generate long-term sustainable value for shareholders, while balancing operational, regulatory, rating agency and policyholder requirements. The Board has adopted a progressive dividend policy for the Company, which will aim to increase the dividend annually in real terms to reflect its cash flow generation and long-term earnings potential.

It is expected that one-third of the annual dividend will generally be paid in the third quarter as an interim dividend and two-thirds will be paid as a final dividend in the second quarter of the following year. The Board may revise the dividend policy from time to time.

In addition, if the Board believes that the Group has capital that is surplus to the Board's view of its requirements, it is intended that it will be returned to shareholders. The Company may consider a special dividend and/or the repurchase of its own shares as a means of distributing surplus capital to shareholders.

The Company pays its dividends in Pounds Sterling to shareholders registered on its principal register in the UK.

Shareholders may have their cash dividends paid directly into a bank or building society by completing a dividend mandate form, which is available from the Company's share registrar ("Registrar") Computershare Investor Services PLC in the UK. Contact details for the Registrar are set out on page 180. Alternatively, shareholders may access their shareholdings online and download a dividend mandate from the Investor Centre, please see page 180 for details.

Shareholder enquiries

Shareholders with queries on any matter relating to their shares are invited to contact our Registrar using the contact details listed on page 180 of this Annual Report & Accounts.

Shareholders should notify the Registrar of any change in shareholding details in a timely manner.

Shareholders can also access their current shareholding details online at www.investorcentre.co.uk/directline. Investor Centre is a free-to-use, secure, self-service website where shareholders can manage their holdings online. The website enables shareholders to:

- check their holdings;
- update their records (including address and direct credit details);
- access all their securities in one portfolio by setting up a personal account;
- vote online; and
- register to receive electronic shareholder communications.

The website requires shareholders to quote their Shareholder Reference Number in order to access this information.

Shareholder warning

5,000 people contact the FCA about share fraud each year, with victims losing an average of £20,000.

Fraudsters use persuasive and high-pressure tactics to lure investors into scams. They may offer to sell shares that turn out to be worthless or non-existent, or to buy shares at an inflated price in return for an upfront payment. While high profits are promised, if you buy or sell shares in this way you will probably lose your money.

How to avoid share fraud

- Keep in mind that firms authorised by the FCA are unlikely to contact you out of the blue with an offer to buy or sell shares
- Do not get into a conversation; note the name of the person and firm contacting you and then end the call
- Check the Financial Services Register from www.fca.org.uk to see if the person and firm contacting you are authorised by the FCA
- Beware of fraudsters claiming to be from an authorised firm, copying its website or giving you false contact details
- Use the firm's contact details listed on the Register if you want to call it back
- Call the FCA on 0800 111 6768 if the firm does not have contact details on the Register or you are told they are out of date
- Search the list of unauthorised firms to avoid at www.fca.org.uk/scams
- Consider that if you buy or sell shares from an unauthorised firm you will not have access to the Financial Ombudsman Service or Financial Services Compensation Scheme
- Think about getting independent financial and professional advice before you hand over any money
- Remember: if it sounds too good to be true, it probably is

Additional information continued

Report a scam

If you are approached by fraudsters please tell the FCA using the share fraud reporting form at www.fca.org.uk/scams, where you can find out more about investment scams.

You can also call the FCA Consumer Helpline on 0800 111 6768.

If you have already paid money to share fraudsters you should contact Action Fraud on 0300 123 2040.

Tips on how you can protect your shares

- Ensure all your certificates are kept in a safe place, or consider holding your shares in the UK's electronic registration and settlement system for equity, CREST, or via a nominee
- Keep all correspondence from the Registrar that shows your shareholder reference number in a safe place and shred unwanted correspondence
- Inform the Registrar as soon as you change your address
- If you receive a letter from the Registrar regarding a change of address and you have not recently moved, please contact them immediately
- Be aware of when the dividends are paid and contact the Registrar if you do not receive your dividend
- Consider having your dividends paid directly into your bank account (you will need to fill out a dividend mandate form and send it to the Registrar); this reduces the risk of the cheque being intercepted or lost in the post
- If you change your bank account, inform the Registrar of the details of your new account immediately
- If you are buying or selling shares, deal only with brokers registered in the UK or in your country of residence
- Be aware that the Company will never contact you by telephone concerning investment matters. If you receive such a call from a person purporting to represent the Group please contact the Company Secretary immediately

Corporate website

The Group's corporate website is www.directlinegroup.com. It contains more useful information for the Company's investors and shareholders, including press releases, forthcoming events, essential shareholder information, a financial calendar and details of the Company's AGM. You may also subscribe for email news alerts.

Electronic communications and voting

The Group produces a range of communications which shareholders can receive in a range of formats. View online, download or receive a paper copy by contacting the Registrar. The contact details can be found on page 180.

Shareholders who register their email address with our Registrar or on the Investor Centre can be kept informed of events such as the AGM and receive shareholder communications like the Annual Report & Accounts and Notice of Meeting electronically.

Dealing facilities

Shareholders can buy, sell or transfer Direct Line Group shares through a stockbroker or a high street bank, or through the Registrar's share-dealing facility.

The Registrar may be contacted regarding its share-dealing facility by telephone or by email as follows:

- for telephone sales call +44 (0)870 703 0084 between 8.30 am and 5.30 pm, Monday to Friday excluding public holidays; and
- for internet sales log on to www.investorcentre.co.uk/directline. You will need your shareholder reference number as shown on your share certificate or your welcome letter from the Chairman.

Financial calendar

2014

26 February	Announcement of results 2013
12 March	'Ex-dividend' date for second special interim and 2013 final dividend
14 March	Record date for second special interim and 2013 final dividends
2 May ¹	First quarter 2014 Interim Management Statement
15 May	Annual General Meeting
20 May	Payment date for second special interim and 2013 final dividends
1 August ¹	Half year 2014 Interim Report
13 August ¹	'Ex-dividend' date for 2014 interim dividend
15 August ¹	Record date for 2014 interim dividend
12 September ¹	Payment date for 2014 interim dividend
31 October ¹	Third quarter 2014 Interim Management Statement

Note:

1. These dates are subject to change

Annual General Meeting

The 2014 AGM will be held on 15 May 2014 at The Auditorium, Allen & Overy LLP, One Bishops Square, London E1 6AD, starting at 10.00 am. All shareholders will receive a separate notice convening the AGM, which will explain the resolutions to be put to the meeting.