

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 2015 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 WEDNESDAY 29 APRIL 2015 AT 2PM AT THE OLD LIBRARY, CARDIFF CF10 1BH, WALES, IS SET OUT ON PAGES 2 TO 9 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 Monday 27 April 2015.

ADMIRAL GROUP PLC

(Incorporated in England and Wales with registered number 3849958)

Directors:

*Alastair Lyons (Chairman)
Henry Engelhardt
David Stevens
Geraint Jones
Manfred Aldag
Margaret Johnson
Lucy Kellaway
Colin Holmes
Roger Abravanel
Annette Court
Jean Park
Penny James*

Registered office:

*Capital Tower
Greyfriars Road,
Cardiff CF10 3AZ*

25 March 2015

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 The Old Library, The Hayes, Cardiff CF10 1BH, Wales, on Wednesday 29 April 2015 at 2.00 p.m. The formal notice of the AGM and resolutions to be proposed are set out on pages 7 to 9 of this document.

The notes on the following pages give an explanation of the proposed resolutions. Resolutions 1 to 19 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 20 to 22 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 2014 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 (other than the part containing the Directors' Remuneration Policy) for the year ended 31 December 2014. 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.

Directors' Remuneration Policy (Resolution 3)

Shareholders are asked to approve the Directors' Remuneration Policy, which is set out in full in the annual report of the Company. The amendments to the policy from that approved in 2014 are summarised and explained in Appendix 1 of the notes to the Notice of AGM. The vote is binding and, therefore, once the amendments to the policy are approved the Company will not be able to make a remuneration payment to a current or prospective director or a payment for loss of office to a current or past director, unless that payment is consistent with the revised policy or has been approved by a resolution of the members of the Company.

Dividends (Resolution 4)

A final dividend of 49.0 pence per ordinary share is recommended by the Directors for payment to shareholders on the register of members at the close of business on 8 May 2015. Subject to the approval of shareholders at the AGM, this dividend will be paid on 29 May 2015.

Appointment of Director (Resolutions 5 and 6)

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, Geraint Jones and Penny James will offer themselves for election by shareholders at the forthcoming AGM.

Geraint Jones was appointed to the Board as an Executive Director on 13 August 2014. Penny James was appointed to the Board as a Non-Executive Director on 1 January 2015.

Biographical details of Geraint and Penny may be found in the annual report of the Company.

The Board is of the view that Geraint Jones should be elected as an Executive Director. Since joining the Group in 2002, Geraint has held a number of senior finance positions including Head of Finance, before being promoted to Deputy Chief Financial Officer in January 2012 and Chief Financial Officer (**CFO**) in August 2014. A Fellow of the Institute of Chartered Accountants in England and Wales, Geraint has also worked as an external auditor at Ernst & Young and KPMG. He is considered to be effective in his role as CFO and the other duties required by his role.

The Board is of the view that Penny James should be elected as Penny has extensive insurance experience in particular in her current role as Director of Group Finance at Prudential Plc since March 2011 and her previous appointments as Chief Finance Officer of Omega Insurance Holdings and UK General Insurance CFO of Zurich Financial Services. She is considered to be effective in her role and is committed to making available the appropriate time for Board meetings and the other duties required by her role.

Reappointment of Directors (Resolutions 7, 8, 9, 10, 11, 12, 13, 14 and 15)

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 Annual General Meeting 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, except for Roger Abravanel, 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 formal performance evaluation, 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.

Auditors (Resolutions 16 and 17)

The Company is required at each general meeting at which accounts are presented to appoint auditors to hold office until the next such meeting. It is proposed that KPMG LLP be and are hereby reappointed auditors of the Company and will hold office from the conclusion of the meeting until the conclusion of the next general meeting at which accounts are laid before the Company, and that their remuneration be fixed by the Directors. Accordingly, resolution 16 reappoints KPMG LLP as auditors to the Company and resolution 17 authorises the Directors to determine their remuneration.

SPECIAL BUSINESS

Approval of the Admiral Group plc 2015 Discretionary Free Share Scheme (DFSS) (Resolution 18)

The Company currently operates a discretionary free share scheme (the **Existing DFSS**) as its long term incentive arrangement for the executive directors, senior managers and managers of the Group.

The Existing DFSS has now expired at the end of its 10 year life. Following a detailed review recently undertaken by the Company's Remuneration Committee, having regard to market practice and consultation with institutional shareholders, approval is being sought from shareholders to replace the Existing DFSS with The Admiral Group plc 2015 Discretionary Free Share Scheme (the **2015 DFSS**) in relation to future awards.

The 2015 DFSS has been developed to form part of the framework to support the Directors' Remuneration Policy, as set out in the Directors' Remuneration Report, for a revised form of which the Company will separately be seeking shareholder approval. It is also currently anticipated that awards will be granted under the 2015 DFSS as long term incentives to approximately 2,300 employees in the UK and overseas. In addition it is intended to award shares to overseas employees under the 2015 DFSS as free share awards (as equivalent as practicable to the free shares granted to UK employees under the Admiral Group plc Approved Share Incentive Plan). Currently there are approximately 2,000 overseas employees this will apply to.

The main changes to the Existing DFSS implemented by the 2015 DFSS are:

- Allowing selected awards to be made on the condition that they may be reduced prior to vesting (malus) or shares acquired on vesting be recovered (clawback);
- Allowing a holding period of up to two years to be imposed on shares acquired as a result of an award;
- Amending the individual limits on participation in the 2015 DFSS to allow awards of up to £2,000,000, with awards above £1,000,000 capped at 600% of the recipient's salary; and
- Allowing awards to be made in the form of nil-cost options, conditional share awards, or restricted shares.

A summary of the principal terms of the 2015 DFSS is set out in Appendix 2 of the Notice of Annual General Meeting.

Authority of Directors to allot shares (Resolution 19)

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 2014 AGM and this resolution seeks to renew that authority. Upon the passing of resolution 19, the Directors will have authority to allot shares up to a maximum of £92,106 which is approximately 33 per cent. of the current issued share capital as at 23 March 2015, 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 annual general meetings 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 19 (ii), the Directors will have authority to allot an additional number of ordinary shares up to a maximum of £92,106, which is approximately a further 33 per cent. of the current issued share capital as at 23 March 2015, 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 annual general meeting of the Company. The Directors intend to seek to renew such authority at successive annual general meetings of the Company.

As a result, if resolution 19 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 annual general meeting of the Company following the decision to make the rights issue.

Disapplication of pre-emption rights (Resolution 20)

Resolution 20 renews the authority provided at the 2014 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 £13,955 which is equivalent to approximately 5 per cent. of the issued share capital of the Company on 23 March 2015, being the latest practicable date prior to the printing of this Notice.

If given, the authority will expire at the conclusion of the next annual general meeting of the Company. The Directors intend to seek to renew such power at successive annual general meetings 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.

The Directors do not intend to issue more than 7.5 per cent. of the issued ordinary share capital of the Company in any rolling three year period without prior consultation with shareholders.

Authority for the Company to purchase its own shares (Resolution 21)

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 2014 AGM to authorise the Company to buy back up to 13,955,408 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 annual general meeting of the Company. The Directors intend to seek to renew this power at subsequent annual general meetings 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 23 March 2015) 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 fully review 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 21) 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 21, 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 23 March 2015 being the latest practicable date before the publication of this Notice, the Company held no equity securities in treasury.

Notice Period for meetings (Resolution 22)

This resolution seeks to renew the approval given by shareholders at the 2014 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 to do so, shareholders must have approved the calling of meetings on 14 days' notice. Resolution 22 seeks such approval. The approval will be effective until the Company's next annual general meeting, 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 the flexibility is merited by the business of the meeting and is thought to be to the advantage of shareholders as a whole.

Additional notice

Following the publication of FRS 100 Application of Financial Reporting Requirements by the Financial Reporting Council, Admiral Group plc is required to change its accounting framework for its Parent Company financial statements, which is currently UK GAAP, for its financial year commencing 1 January 2015. The Board considers that it is in the best interests of the group for Admiral Group plc to adopt FRS 101 Reduced Disclosure Framework. No disclosures in the current UK GAAP financial statements would be omitted on adoption of FRS 101. A shareholder or shareholders holding in aggregate 5% or more of the total allotted shares in Admiral Group plc may serve objections to the use of the disclosure exemptions on Admiral Group plc, in writing, at its registered office (Capital Tower, Greyfriars Road, Cardiff CF10 3AZ) not later than 30 June 2015.

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, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU 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 do 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 The Old Library, The Hayes, Cardiff CF10 1BH, Wales, on Wednesday 29 April 2015 at 2.00pm, for the transaction of the following business: resolutions 1 to 19 will be proposed as ordinary resolutions and resolutions 20 to 22 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 2014.
- 2 To approve the Directors' Remuneration Report (other than the part containing the Directors' Remuneration Policy) for the year ended 31 December 2014.
- 3 To approve the Directors' Remuneration Policy contained in the Annual Report and Accounts for the year ended 31 December 2014.
- 4 To declare a final dividend on the ordinary shares of the Company for the year ended 31 December 2014 of 49.0 pence per ordinary share.
- 5 To elect Geraint Jones (Executive Director) as a Director of the Company
- 6 To elect Penny James (Non-Executive Director) as a Director of the Company
- 7 To re-elect Alastair Lyons (Non-Executive Director) as a Director and Chairman of the Company
- 8 To re-elect Henry Engelhardt (Executive Director) as a Director of the Company
- 9 To re-elect David Stevens (Executive Director) as a Director of the Company
- 10 To re-elect Margaret Johnson (Non-Executive Director) as a Director of the Company
- 11 To re-elect Lucy Kellaway (Non-Executive Director) as a Director of the Company
- 12 To re-elect Manfred Aldag (Non-Executive Director) as a Director of the Company
- 13 To re-elect Colin Holmes (Non-Executive Director) as a Director of the Company
- 14 To re-elect Annette Court (Non-Executive Director) as a Director of the Company.
- 15 To re-elect Jean Park (Non-Executive Director) as a Director of the Company.
- 16 To reappoint KPMG 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.
- 17 To authorise the Directors to determine the remuneration of KPMG LLP.

As special business:

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

THAT:

the rules of The Admiral Group plc 2015 Discretionary Free Share Scheme (the **2015 DFSS**), a summary of the principal terms of which is set out in Appendix 2 of the Notice of Meeting of the Company dated 25 March 2015, in the form produced to the Annual General Meeting of the Company held on 29 April 2015 (or at any adjournment thereof) and, for the purposes of identification, initialled by the Chairman of the said Annual General Meeting, be approved and adopted; and

the directors of the Company be and are hereby authorised to establish further schemes based on the 2015 DFSS for the benefit of directors and the employees of the Company and/or its subsidiaries who are located outside the United Kingdom, with such modifications as may be necessary or desirable in order to take account of local tax, exchange control or securities laws as they consider appropriate, provided that any ordinary shares of the Company made available under such further schemes shall be treated as counting against any individual or overall limits contained in the 2015 DFSS.

19 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 £92,106 (such amount to be reduced by the aggregate nominal amount allotted or granted under paragraph (ii) of this resolution 19 in excess of £92,106); and
- (ii) comprising equity securities (within the meaning of section 560(1) CA 2006) up to a further aggregate nominal amount of £92,106 (such amount to be reduced by the aggregate nominal amount allotted or granted under paragraph (i) of this resolution 19) in connection with a rights issue:
 - (a) to ordinary shareholders in proportion (as nearly or 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,

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 19 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.

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

THAT the Directors be and they are hereby empowered, pursuant to section 570 and 573 CA 2006, to allot equity securities (within the meaning of section 560(1) CA 2006) for cash and/or to allot equity securities where such allotment constitutes an allotment of securities by virtue of section 560 CA 2006, 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:

- (i) pursuant to the authority conferred by sub-paragraph (i) and/or sub-paragraph (ii) of resolution 19 above, in connection with an offer of 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 19 above, in connection with an open offer or other offer of securities (not being 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); and
- (iii) otherwise than pursuant to sub-paragraphs (i) and (ii) above, up to an aggregate nominal amount of £13,955,

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, 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.

21. 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 13,955,408 (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 shall, unless renewed, expire on the date falling 15 months after the date of the passing of this resolution, 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.

22. 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

25 March 2015

REGISTERED OFFICE

Capital Tower, Greyfriars Road

Cardiff CF10 3AZ

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, PXS 1, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4ZF or
- if you hold your shares in certificated form and have your share certificate to hand, online at 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 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 10p 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 10p 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). 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). 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 **27 April 2015** (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 23 March 2015, being the last business day prior to the printing of this Notice, the Company's issued capital consisted of 279,108,163 Ordinary Shares carrying one vote each. Therefore, the total voting rights in the Company as at 23 March 2015 are 279,108,163.
- 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 Under sections 338 and 338A CA 2006, members meeting the threshold requirements in those sections have the right to require the Company:

- (i) to give, to members of the Company entitled to receive notice of the meeting, notice of a resolution which may properly be moved and is intended to be moved at the meeting; and/or
- (ii) to include in the business to be dealt with at the meeting any matter (other than a proposed resolution) which may be properly included in the business.

A resolution may properly be moved or a matter may properly be included in the business unless:

- (a) (in the case of a resolution only) it would, if passed, be ineffective (whether by reason of inconsistency with any enactment or the company's constitution or otherwise);
- (b) it is defamatory of any person; or
- (c) it is frivolous or vexatious.

Such a request may be in hard copy form or in electronic form, and must identify the resolution of which notice is to be given or the matter to be included in the business, must be authorised by the person or persons making it, must be received by the Company not later than 25 March 2015, and (in the case of a matter to be included in the business only) must be accompanied by a statement setting out the grounds for the request.

7 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.

8 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 23 March 2015, 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.

9 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.

10 Biographical details of the Directors are shown in the Annual Report and Accounts.

11 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; and
- Copy of the rules of The Admiral Group plc 2015 Discretionary Free Share Scheme

12 A copy of the rules of the Admiral Group plc 2015 Discretionary Free Share Scheme will also be available for inspection at the offices of PwC LLP, 1 Embankment Place, London, WC2N 6RH during normal business hours from the date of sending this Notice until close of the meeting.

APPENDIX 1

Summary of changes to the Directors' Remuneration Policy

The existing Directors' Remuneration Policy was approved by shareholders in 2014. The following table summarises the proposed changes in the Directors' Remuneration Policy for which approval is now sought:

1. Discretionary Free Share Scheme (DFSS)		
	Existing Policy	New Policy
<i>Maximum opportunity</i>	£1,000,000 or 600% of base salary if lower.	£2,000,000 or, if the award exceeds £1,000,000, 600% of base salary.
<i>Performance metric</i>	Awards vest by reference to growth in the Group's EPS in excess of a risk free return, defined as average three-month LIBOR, over a three-year period.	In addition to Earnings per Share (EPS), two additional performance measures in the DFSS: relative Total Shareholder Return (TSR) and Return on Equity (ROE). Awards vest by reference to the Group's performance over a three-year performance period. The performance measures and respective weightings may vary year-on-year to reflect strategic priorities
<i>Threshold</i>	Threshold performance will result in vesting of 10% of the maximum award.	Threshold performance will result in vesting of up to 25% of the maximum award.
<i>Malus / clawback</i>	None.	Malus and clawback to apply to all Executive Director awards.
2. Tax advantage Free Share Incentive Plan (SIP)		
	Existing Policy	New Policy
<i>Maximum opportunity</i>	£3,000 per annum.	Up to the limit as is in force under SIP legislation at the time.

Remuneration Committee's rationale for changes

The changes proposed are those that the Remuneration Committee ("RemCo") believes are necessary to ensure participants remain motivated; are appropriately rewarded; and that Admiral remains an attractive employer for talented individuals to join. The changes proposed will, the RemCo believes, ensure that the Group's remuneration strategy continues to support the view, held by the Board, that share ownership drives outstanding performance and promotes the long-term success of the business whilst at the same time remaining in alignment with shareholder interests.

The timing of the proposed changes to the DFSS is driven by the fact that the Group's current long-term incentive arrangements have expired, having been in place for 10 years, as was stated in our Remuneration Committee Report in the Group's 2013 Annual Report and Accounts. In 2014 the RemCo has, therefore, taken the opportunity to review the current arrangements, given the changes to the business in both size and geography since the last review in 2004.

The following table sets out the key reasons for the RemCo's proposed changes to the executive director incentives:

	Change	Rationale
1	Increase maximum opportunity under the DFSS to £2,000,000. For awards above £1m a maximum of 600% of base salary applies.	To ensure that senior managers remain motivated and appropriately rewarded and that the Group continues to be attractive to talented individuals who want to join. The Group would only intend to utilise the increased maximum award in certain particular circumstances such as the recruitment of a new Executive Director. In this case, an explanation would be provided in the Group's Annual Report on Remuneration.
2	Threshold.	Threshold performance resulting in vesting of up to 25% of the maximum award has been introduced to give the Committee more flexibility to review the appropriateness of the performance measures and corresponding targets in advance of each DFSS cycle. The Committee will determine the precise targets of each award closer to the making of the DFSS awards and will disclose them in the Annual Report on Remuneration.
3	Performance metric.	To enable a more flexible approach to the setting of performance targets whilst at the same time ensuring that they remain stretching and achievable, taking into account the Company's strategic priorities and economic environment in which the Company operates. The financial targets will take into account a range of reference points including the Group's strategic plan and broker forecasts for both Admiral and its insurance peers.
4	Application of malus and clawback.	To allow forfeiture or reduction of unvested awards and recovery of vested awards, for example, in the event of material misstatement or gross misconduct.
5	Increase in maximum opportunity under the SIP.	To allow Group to take advantage of awards under the SIP increasing group wide employee share ownership

APPENDIX 2

The principal terms of the Admiral Group plc 2015 Discretionary Free Share Scheme

The ten year life of the Company's existing discretionary share plan has expired. The Company is seeking approval of a replacement plan, the Admiral Group plc 2015 Discretionary Free Share Scheme (the **2015 DFSS**). It is currently anticipated that awards will be granted under the 2015 DFSS as long term incentives to approximately 2,300 employees in the UK and overseas. In addition it is intended to award shares to overseas employees under the 2015 DFSS as free share awards (as equivalent as practicable to the free shares granted to UK employees under the Admiral Group plc Approved Share Incentive Plan). Currently there are approximately 2,000 overseas employees this will apply to.

The principal features of the 2015 DFSS are summarised below.

1 Status

- 1.1 The 2015 DFSS is a discretionary share plan. Under the 2015 DFSS, the remuneration committee (the **RemCo**) may, within certain limits and subject to any applicable performance conditions, grant to eligible employees (i) conditional awards (i.e. conditional rights to acquire ordinary shares of the Company) (**Conditional Awards**) and/or (ii) options over ordinary shares (**Options**) and/or (iii) ordinary shares which are subject to restrictions and the risk of forfeiture (**Restricted Shares**).
- 1.2 The Company has also established a sub-plan to the 2015 DFSS which permits the grant of options (**CSOP Options**) and, together with Conditional Awards, Options and Restricted Shares, **Awards**) over ordinary shares meeting the requirements of a company share option plan (**CSOP**) for the purposes of the Income Tax (Earnings and Pensions) Act 2003. The provisions of the 2015 DFSS apply to CSOP Options subject to and insofar as permitted by the applicable requirements of the CSOP legislation. No payment is required for the grant of an Award.
- 1.3 The Company has also established a sub-plan to the 2015 DFSS which permits the grant of options or conditional awards settled in cash (**Phantom Awards**). The provisions of the 2015 DFSS apply to Phantom Awards with appropriate adjustment. No payment is required for the grant of a Phantom Award. It is intended that Phantom Awards will only be granted where it is impractical to grant Awards over ordinary shares, for example because of overseas securities laws.

2 Eligibility

- 2.1 All employees of the Company and its subsidiaries (the **Group**) those who have given or received notice of termination are eligible for selection to participate in the 2015 DFSS at the discretion of the RemCo.

3 Grant of Awards

- 3.1 The RemCo may grant Awards over ordinary shares to eligible employees with a maximum total market value per individual of up to £2 million in any financial year of the Company. Where Awards are made to an individual in a financial year of the Company with a total market value of in excess of £1 million, the Awards may not exceed 600% of that individual's salary at the annual rate in force at the date of the Award.
- 3.2 The sub-plan to the 2015 DFSS relating to CSOPs permits the grant of CSOP Options over ordinary shares with a total market value of up to the permitted individual limit from time to time applying to options granted under a CSOP (currently £30,000). Where an employee is granted an Option, he may also be granted a CSOP Option over further ordinary shares up to the permitted limit applicable to options granted under a CSOP. The exercise price payable for each ordinary share subject to a CSOP Option shall be determined by the RemCo and shall not be less than the market value of an

ordinary share determined in accordance with the requirements of the applicable CSOP legislation. The number of ordinary shares under the Option which may be exercised will be reduced by such number of ordinary shares as has a market value (as at the date of exercise of the CSOP Option) equal to the gain made on the exercise of the CSOP Option. Overall the economic gain from the Option before tax is the same as if the CSOP Option was not in place.

- 3.3 Awards may be granted during the 42 days beginning on: (i) the date of shareholder approval of the 2015 DFSS, (ii) the day after the announcement of the Company's results for any period; (iii) any day on which the RemCo determines that circumstances are sufficiently exceptional to justify the making of the Award at that time; or (iv) the day after the lifting of any dealing restrictions applicable during the periods set out in (i) to (iii). However, no Awards may be granted more than ten years from the date when the 2015 DFSS was approved by shareholders.

4 Holding periods

- 4.1 At its discretion, the RemCo may grant Awards subject to a holding period of a maximum of two years following vesting.

5 Performance and other conditions

- 5.1 The RemCo may impose performance conditions on the vesting of Awards. Where performance conditions are specified for Awards, the underlying measurement period for such conditions will ordinarily be three years.
- 5.2 Any performance conditions applying to Awards may be varied, substituted or waived if the RemCo considers it appropriate, provided the RemCo considers that the new performance conditions are reasonable, produce a fairer measure of performance and are not materially less difficult to satisfy than the original conditions.
- 5.3 The RemCo may also impose other conditions on the vesting of Awards.

6 Malus

- 6.1 The RemCo may determine on the grant of an Award that a term of the Award shall be that malus shall apply to that Award. Where malus applies, the RemCo may decide, at any time prior to the vesting of Awards, that the number of ordinary shares subject to an Award shall be reduced (including to nil) on such basis that the RemCo in its discretion considers to be fair and reasonable, where the RemCo determines that one or more of the malus trigger events (as defined below) have occurred.
- 6.2 The malus trigger events include those events set out below. The events that apply to a particular award will be determined by the RemCo on grant of that particular Award:
- 6.2.1 The discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the accounts of any Group member (e.g. a subsidiary company);
- 6.2.2 The discovery that any information used to determine the number of shares subject to an Award was based on error, or inaccurate or misleading information;
- 6.2.3 There has been an action or conduct of an Award holder which, in the reasonable opinion of the RemCo, amounts to fraud or gross misconduct;
- 6.2.4 Events or behaviour of an Award holder have had a significant detrimental impact on the reputation of the Company provided that the RemCo is satisfied that the relevant Award

holder was responsible for the reputational damage and that the reputational damage is attributable to him;

- 6.2.5 The company or the relevant business unit in which the Award holder works suffers a material failure of risk management resulting in a material financial loss for the company or the business unit in which the Award holder works;
- 6.2.6 The Award holder has ceased employment in circumstances in which the Award did not lapse and facts have emerged which, if known at the time, would have caused the Award to lapse on such cessation or would have caused the RemCo to exercise any discretion under the 2015 DFSS in relation to the Award holder differently;
- 6.2.7 The Award holder is subject to any disciplinary action or regulatory sanction or the RemCo considers that his conduct, capability or performance has been in breach of any laws, rules or codes of conduct applicable to him or the standards reasonably expected of a person in his position;
- 6.2.8 Any team, business area, group member or profit centre in which the Award holder works has been the subject of any regulatory investigation or has been in breach of any laws, rules or codes of conduct applicable to it or the standards reasonably expected of it; and
- 6.2.9 Any other event that the RemCo considers reasonable and which the RemCo notifies to the Award holder at the time that the Award is granted.

7 Vesting and exercise

- 7.1 Awards will normally vest, and Options and CSOP Options will normally become exercisable, on the third anniversary of the date of grant of the Award to the extent that any applicable performance conditions have been satisfied and to the extent permitted following any operation of malus. Options and CSOP Options will normally remain exercisable for a period determined by the RemCo at grant, which shall not exceed 10 years from grant.

8 Clawback

- 8.1 The RemCo may determine on the grant of an Award that a term of the Award shall be that clawback shall apply to that Award. Where clawback applies, the RemCo may during the two years following the vesting of the Award require the Award holder to transfer to the Company (or such other person as it specifies) all or some of the ordinary shares acquired following vesting of an Award or the exercise of an Option. Clawback may be applied where the RemCo determines that one or more of the clawback trigger events (as defined below) have occurred.
- 8.2 The clawback trigger events include those events set out below. The events that apply to a particular Award will be determined by the RemCo on grant of that Award:
 - 8.2.1 The discovery of a material misstatement resulting in an adjustment in the audited consolidated accounts of the Company or the accounts of any Group member (e.g. a subsidiary company) for a period that was wholly or partly before the end of the period over which the applicable performance target was assessed;
 - 8.2.2 The assessment of any performance target or condition in respect of an Award was based on error, or inaccurate or misleading information.
 - 8.2.3 The discovery that any information used to determine the number of shares subject to an Award was based on error, or inaccurate or misleading information;

- 8.2.4 There has been an action or conduct of an Award holder which, in the reasonable opinion of the RemCo, amounts to fraud or gross misconduct;
- 8.2.5 The company or the relevant business unit in which the Award holder works suffers a material failure of risk management resulting in a material financial loss for the company or the business unit in which the Award holder works; and
- 8.2.6 Any other event that the RemCo considers reasonable and which the RemCo notifies to the Award holder at the time that the Award is granted.

9 Cessation of employment

- 9.1 Except in certain circumstances, set out below, an Award will lapse immediately upon an Award holder ceasing to be employed by or holding office with the Group.
- 9.2 If an Award holder so ceases because of his death, ill-health, injury, disability, redundancy, retirement with the agreement of his employer, the Award holder being employed by a company which ceases to be a Group company or being employed in an undertaking which is transferred to a person who is not a Group company or in other circumstances at the discretion of the RemCo (each, a **Good Leaver Reason**), his Award will ordinarily vest on the date when it would have vested if he had not so ceased to be a Group employee or director, subject to any operation of malus and (unless the RemCo determine otherwise) (i) the satisfaction of any applicable performance conditions measured over the original performance period and (ii) pro rating to reflect the reduced period of service during the performance period.
- 9.3 To the extent that Options and CSOP Options vest for a Good Leaver Reason, they may be exercised for a period of six months following vesting (or such longer period as the RemCo determines) and will otherwise lapse at the end of that period.
- 9.4 Overseas employees who have received Awards equivalent to the SIP for a Good Leaver Reason will normally have their Awards pro-rated.

10 Corporate events

- 10.1 In the event of a takeover, scheme of arrangement, compulsory acquisition or winding-up of the Company, the Awards will ordinarily vest on that event. The proportion of the Awards which vest shall ordinarily take into account (i), the extent to which, in the judgment of the RemCo, any applicable performance conditions have been satisfied by the date of that event, (ii) the period of time between grant and the date of that event as a proportion of the normal vesting period, and (iii) any operation of malus.
- 10.2 To the extent that Options and CSOP Options vest in the event of a takeover, winding-up scheme of arrangement of the Company they may be exercised for a period of six months measured from the relevant event (or in the case of takeover such longer period as the RemCo determines) and will otherwise lapse at the end of that period.
- 10.3 To the extent that the Options and CSOP Options vest in the event of compulsory acquisition under section 979 of the Companies Act 2006 they may be exercised for the period beginning on the date on which the person serves notice under section 979 and ending seven clear days before the date on which the person ceases to be entitled to serve such notice.
- 10.4 In the event of a demerger, distribution or any other corporate event, the RemCo may determine that Awards shall vest. The proportion of the Awards which vest shall be determined by the RemCo taking into account (i) the extent to which any applicable performance conditions have, in the

judgement of the RemCo, been satisfied by the date of that event, (ii) the period of service during the performance period, and (iii) any operation of malus.

10.5 Where an event described in 10.1 to 10.4 inclusive occurs, overseas employees who have received Awards equivalent to the SIP will not normally have their Awards pro-rated.

10.6 If the RemCo is aware that a corporate event is likely to occur, as a result of which the conditions for relief under Part 12 of the Corporation Tax Act 2009 may not be satisfied, it may (if it considers it appropriate) determine that the Awards will vest immediately prior to the event taking place.

10.7 If there is a corporate event resulting in a new person or company acquiring control of the Company, the RemCo may (with the consent of the acquiring company) alternatively decide that Awards will not vest or lapse but will be replaced by equivalent new awards over shares in the new acquiring company.

11 Awards not transferable

11.1 Awards granted under the 2015 DFSS are not transferable other than to the Award holder's personal representatives in the event of his death, provided that Awards and ordinary shares may be held by the trustees of an employee as nominee for the Award holder if the Company so permits.

12 Limits

12.1 The 2015 DFSS may operate over new issue ordinary shares, treasury ordinary shares or ordinary shares purchased in the market. The rules of the 2015 DFSS provide that, in any period of 10 calendar years, not more than 10 per cent of the Company's issued ordinary share capital may be issued under the 2015 DFSS and under any other employees' share scheme operated by the Company.

12.2 Ordinary shares transferred out of treasury to satisfy Awards will count towards these limits for so long as this is required under institutional shareholder guidelines. In addition, Awards which are renounced or lapse shall be disregarded for the purposes of these limits.

13 Variation of capital

13.1 If there is a variation of share capital of the Company or in the event of a demerger or other distribution, special dividend or distribution, the RemCo may make such adjustments to Awards granted under the 2015 DFSS, including the number of ordinary shares subject to Awards and the option exercise price (if any), as it shall determine.

14 Dividend equivalents

14.1 In respect of any Award, the RemCo may decide that Award holders will receive a payment (in cash and/or additional ordinary shares) equal in value to any dividends that would have been paid on the ordinary shares which vest under that Award by reference to the period between the time when the relevant Award was granted and the time when the relevant Award vested. This amount may assume the reinvestment of dividends and exclude or include special dividends or dividends in specie.

15 Alternative settlement

15.1 At its discretion, the RemCo may decide to satisfy Awards either:

15.1.1 with a cash payment equal to any gain that an Award holder would have made had the relevant Award been satisfied with ordinary shares after payment of any price due on vesting or exercise of the Award; or

15.1.2 with the transfer or issue of ordinary shares equal in value to any gain that an Award holder would have made had the relevant Award been satisfied with ordinary shares after payment of any price due on vesting or exercise of the Award.

16 Rights attaching to ordinary shares

16.1 Any ordinary shares allotted when an Option is exercised or an Award vests will rank equally with ordinary shares then in issue (except for rights arising by reference to a record date prior to their issue). An Award holder awarded Restricted Shares shall have the same rights as a holder of ordinary shares in issue at the time that the Award holder acquires the ordinary shares, save to the extent set out in the agreement with the Award holder relating to those ordinary shares.

17 Amendments

17.1 The RemCo may, at any time, amend the provisions of the 2015 DFSS in any respect. The prior approval of shareholders at a general meeting of the Company must be obtained in the case of any amendment to the advantage of Award holders which is made to the provisions relating to eligibility, individual or overall limits, the persons to whom an Award can be made, the basis for determining a participant's entitlement to and the terms of Awards, the adjustments that may be made in the event of any variation to the share capital of the Company and/or the rule relating to such prior approval, save that there are exceptions for any minor amendment to benefit the administration of the 2015 DFSS, to take account of the provisions of any proposed or existing legislation or to obtain or maintain favourable tax, exchange control or regulatory treatment for Award holders, the Company and/or its other Group companies. Amendments may not materially adversely affect the rights of Award holders except for amendments made to ensure compliance with relevant legal, regulatory or other requirements that the RemCo consider relevant, or where Award holders are notified of such amendment and the majority of Award holders approve such amendment.

18 Overseas plans

18.1 The RemCo may, at any time, establish further plans based on the 2015 DFSS for overseas territories. Any such plan shall be similar to the 2015 DFSS, but modified to take account of local tax, exchange control or securities laws. Any ordinary shares made available under such further overseas plans must be treated as counting against the limits on individual and overall participation under the DFSS

19 Benefits not pensionable

19.1 The benefits received under the 2015 DFSS are not pensionable

