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If you sell or have sold or otherwise transferred all of your shares in esure Group plc ("esure"), please send this document and any accompanying documents or forms as soon as possible to the purchaser or transferee or to the stockbroker, bank or other agent through whom you sell or have sold or transferred your shares for delivery to the purchaser or transferee. If you have sold part only of your holding of shares in esure, please consult the bank, stockbroker or other agent through whom the sale or transfer was effected as to the action you should take.

This document is not a prospectus and it does not constitute or form part of any offer or invitation to purchase, acquire, subscribe for, sell, dispose of or issue, or any solicitation of any offer to purchase, acquire, subscribe for, sell or dispose of, any security, including any fully paid ordinary shares in the capital of esure ("esure Shares") or Gocompare.com Group plc ("Gocompare.com Shares").

This document has been published solely in connection with the Demerger. Those considering Admission, including the risks relevant to Admission and/or Gocompare.com Shares, should rely only on the information in the Gocompare.com Prospectus.



esure Group plc

(incorporated in England and Wales under the Companies Act 2006 with registered number 7064312)

Proposed demerger of the Gocompare.com Group from the esure Group and Notice of General Meeting

You should read the whole of this document and any documents incorporated herein by reference. Your attention is drawn to the letter from the Chairman of esure which is set out in Part I (*Letter from the Chairman of esure Group plc*) and which contains the unanimous recommendation of the directors of esure that you vote in favour of the Resolutions to be proposed at the General Meeting referred to below.

Notice of the General Meeting to be held on 1 November at 11:00am at The Observatory, Castlefield Road, Reigate, Surrey RH2 0SG is included in this document. A Form of Proxy for use at the General Meeting is enclosed and, to be valid, should be completed, signed and returned following the procedures described in the notes to the Notice of General Meeting so as to be received by the Registrars as soon as possible but, in any event, so as to arrive no later than 11:00am on 30 October 2016 (or, in the case of an adjourned meeting, at least 48 hours before the time appointed for holding the adjourned meeting). Alternatively, Shareholders may submit their vote online by accessing the website of the Registrars (www.sharevote.co.uk). CREST members may also choose to utilise the CREST electronic proxy appointment service in accordance with the procedures set out in the Notice of Meeting at the end of this document. Completion and return of a Form of Proxy will not prevent members from attending and voting in person should they wish to do so.

Deutsche Bank AG is authorised under German banking law (competent authority: European Central Bank) and, in the United Kingdom, by the PRA. It is subject to supervision by the European Central Bank and by BaFin, Germany's Federal Financial Supervisory Authority, and is subject to limited regulation in the United Kingdom by the PRA and FCA. In connection with the Demerger and Admission, Deutsche Bank is acting through its London branch. Deutsche Bank is acting exclusively for esure and Gocompare.com and no one else in connection with the Demerger and Admission and they will not regard any other person (whether or not a recipient of this document) as a client in relation to the Demerger or Admission and will not be responsible to anyone other than esure for providing the protections afforded to its clients or for providing advice in relation to the Demerger or Admission or any other transaction, matter or arrangement referred to in this document.

Apart from the responsibilities and liabilities, if any, which may be imposed on Deutsche Bank by FSMA or the regulatory regime established thereunder or under the regulatory regime of any other applicable jurisdiction where exclusion of liability under the relevant regulatory regime would be illegal, void or unenforceable, neither Deutsche Bank nor any of its affiliates accepts any responsibility whatsoever for the contents of this document including its accuracy, completeness and verification or for any other statement made or purported to be made by it, or on its behalf, in connection with esure or its subsidiaries, Gocompare.com Shares or the Demerger or Admission. Deutsche Bank and its affiliates accordingly disclaim, to the fullest extent permitted by applicable law, all and any liability whether arising in tort, contract or otherwise (save as referred to above) which they might otherwise be found to have in respect of this document or any such statement. No representation or warranty, express or implied, is made by Deutsche Bank or any of its affiliates as to the accuracy, completeness, verification or sufficiency of the information set out in this document, and nothing in this document will be relied upon as a promise or representation in this respect, whether or not to the past or future.

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions in relation to Gocompare.com Shares or this document, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. Except in the United Kingdom, no action has been taken or will be taken in any jurisdiction that would permit possession or distribution of this document in any country or jurisdiction where action for that purpose is required. Accordingly, this document may not be distributed or published in any jurisdiction where to do so would breach any securities laws or regulations of any such jurisdiction or give rise to an obligation to obtain any consent, approval or permission, or to make any application, filing or registration. Failure to comply with these restrictions may constitute a violation of the securities laws or regulations of such jurisdictions.

No person has been authorised to give any information or to make any representations in connection with the Demerger other than the information and representations contained in this document and, if any other information or representations is or are given or made, such information or representations must not be relied upon as having been authorised by or on behalf of esure, the Directors or Deutsche Bank. No representation or warranty, express or implied, is made by Deutsche Bank as to the accuracy or completeness of such information, and nothing in this document is, or shall be relied upon as, a promise or representation by Deutsche Bank as to the past, present or future. Deutsche Bank and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to esure, Gocompare.com and their respective affiliates, for which they have received customary fees. Deutsche Bank and its affiliates may provide such services to esure, Gocompare.com and their respective affiliates in the future.

Gocompare.com Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act"), and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. The Gocompare.com Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, and none of the foregoing authorities have passed upon or endorsed the merits of the Demerger or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

This document is dated 11 October 2016.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

<u>Event</u>	<u>Time and date⁽¹⁾⁽²⁾</u>
Publication of this circular and the Gocompare.com Prospectus	11 October 2016
Latest time and date for receipt of Forms of Proxy and CREST electronic proxy appointment instruction	11:00am on 30 October 2016
General Meeting	11:00am on 1 November 2016
Latest time and date for transfers of esure Shares to be registered in order for the transferee to be registered at the Record Time	6:00pm on 2 November 2016
Record Time	6:00 p.m. on 2 November 2016
Interim in-specie distribution of Gocompare.com Shares to Shareholders	3 November 2016 (immediately prior to Admission)
Admission and commencement of dealings in Gocompare.com Shares on the London Stock Exchange	8:00am on 3 November 2016
CREST accounts credited in respect of Gocompare.com Shares in uncertificated form	8:00am on 3 November 2016
Latest date for despatch of definitive share certificates (where applicable) for Gocompare.com Shares in certificated form . .	10 November 2016

Notes

- (1) Times and dates set out in the timetable above and mentioned throughout this document that fall after the date of publication of this document are indicative only and may be subject to change without further notice.
- (2) All references to time in the timetable above are to London time.

IMPORTANT NOTICES

GENERAL

The contents of this document are not to be construed as legal, business or tax advice. Recipients of this document should consult their own lawyer, financial adviser or tax adviser for legal, financial or tax advice, as appropriate. Furthermore, esure and the Directors accept no responsibility for the accuracy or completeness of any information reported by the press or other media, or the fairness or appropriateness of any forecasts, views or opinions expressed by the press or other media regarding the Demerger, Admission, the esure Group or the Gocompare.com Group. esure and the Directors make no representation as to the appropriateness, accuracy, completeness or reliability of any such information or publication.

Recipients of this document may not reproduce or distribute this document, in whole or in part, and may not disclose any of the contents of this document or use any information herein for any purpose other than considering the Demerger. Such recipients of this document agree to the foregoing by accepting delivery of this document.

Deutsche Bank and its affiliates may have engaged in transactions with, and provided various investment banking, financial advisory and other services to esure, Gocompare.com and their respective affiliates, for which they received customary fees. Deutsche Bank and its affiliates may provide such services to esure, Gocompare.com and their respective affiliates in the future.

If the Demerger proceeds, Shareholders, who previously had an indirect interest in Gocompare.com and the Gocompare.com Group, will have a direct interest in Gocompare.com and the Gocompare.com Group and, accordingly, will be directly subject to risks affecting the Gocompare.com Group, its business, its results of operations and its financial condition.

This document has been published solely in connection with the Demerger. Those considering Admission, including the risks relevant to Admission, Gocompare.com Shares and the Gocompare.com Group should rely only on the information in the Gocompare.com Prospectus.

Shareholders and prospective investors in Gocompare.com Shares will be deemed to have acknowledged that they have not relied on Deutsche Bank or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this document for their investment decision.

US CONSIDERATIONS

The Gocompare.com Shares have not been and will not be registered under the US Securities Act or under the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States, except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States. There will be no offering of the Gocompare.com Shares in the United States. At the time of the Demerger, the Gocompare.com Shares will not be listed on any securities exchange in the United States, and Gocompare.com expects to rely on an exemption from registration under the US Securities Exchange Act of 1934, as amended, provided by Rule 12g 3-2(b) thereunder.

The Gocompare.com Shares have not been approved or disapproved by the US Securities and Exchange Commission, any state securities commission in the United States or any other US regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the offering of the Gocompare.com Shares or the accuracy or adequacy of this document. Any representation to the contrary is a criminal offence in the United States.

esure Shareholders will not be required to pay cash or provide any other consideration to receive any distribution of the Gocompare.com Shares in connection with the Demerger.

NO INCORPORATION OF WEBSITES

The contents of the websites of any member of the esure Group or the Gocompare.com Group do not form part of this document, and no one should rely on such websites.

FORWARD-LOOKING STATEMENTS

Certain statements in this document relate to the future, including forward-looking statements relating to the esure Group's and the Gocompare.com Group's financial position and strategy. In some cases, these forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'intend', 'aim', 'project', 'anticipate', 'estimate', 'plan', 'believe', 'expect', 'may', 'should', 'will', 'continue' or other similar words. These statements discuss future expectations concerning the esure Group's or the Gocompare.com Group's results of operations or financial condition, or provide other forward-looking statements.

These forward-looking statements are not guarantees or predictions of future performance, and involve known and unknown risks, uncertainties and other factors, including the risk factors set out in the section entitled 'Risk Factors', many of which are beyond the esure Group's and the Gocompare.com Group's control, and which may cause the actual results to differ materially from those expressed in the statements contained in this document. The esure Group's and the Gocompare.com Group's actual results of operations, financial condition and the development of the business sectors in which the esure Group and the Gocompare.com Group operate may differ materially from those suggested by the forward-looking statements contained in this document due to certain factors including, but not limited to, domestic and global economic and business conditions, market-related risks pertaining to the insurance industry as a whole, the policies and actions of regulatory authorities, market developments regarding insurance products, the impact of competition, technological development, inflation, deflation, the timing, impact and other uncertainties of any future acquisitions, combinations or divestments within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which the esure Group and the Gocompare.com Group operate. In addition, even if the esure Group's and the Gocompare.com Group's actual results of operations, financial condition and the development of the business sectors in which they operate are consistent with the forward-looking statements contained in this document, those results or developments may not be indicative of results or developments in subsequent periods. Recipients of this document are cautioned not to put undue reliance on forward looking statements.

Other than as required by law, none of esure, the Directors, its officers, advisers or any other person gives any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this document will actually occur, in part or in whole.

Additionally, statements of the intentions of the esure Board and/or Directors reflect the present intentions of the esure Board and/or Directors, respectively, as at the date of this document and may be subject to change as the composition of the esure Board alters, or as circumstances require. Except as required by law, esure disclaims any obligation or undertaking to update or revise any forward-looking statement in this document.

The forward-looking statements speak only as at the date of this document. To the extent required by applicable law or regulation (including as may be required by the Companies Act, Prospectus Rules, Listing Rules, MAR, Disclosure Guidance and Transparency Rules and FSMA), esure will update or revise the information in this document. Otherwise, esure expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

FINANCIAL INFORMATION

Recipients of this document should consult their own professional advisers to gain an understanding of the financial information contained in this document. An overview of the basis for presentation of financial information in this document is set out below.

Presentation of financial information

The Gocompare.com Group financial information for the three years ended 31 December 2015 and the six months ended 30 June 2015 and 30 June 2016 contained in this document has been prepared in accordance with the requirements of the Prospectus Directive Regulation and the Listing Rules and in

accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”).

Abbreviations and rounding of figures

The esure Group’s financial information is presented in Pounds Sterling. The abbreviations ‘£m’ or ‘£ million’ represent millions of Pounds Sterling, and references to ‘pence’ and ‘p’ represent pence in Pounds Sterling.

The financial information presented in a number of tables in this document has been rounded to the nearest whole number or the nearest decimal place. Therefore, the sum of the numbers in a column may not conform exactly to the total figure given for that column. In addition, certain percentages presented in the tables in this document reflect calculations based upon the underlying information prior to rounding, and, accordingly, may not conform exactly to the percentages that would be derived if the relevant calculations were based upon the rounded numbers.

WHAT YOU NEED TO DO

READ THIS DOCUMENT IN FULL

You should read this document in full before making any decision on how to vote on the Resolutions.

There are answers to questions you may have about the Demerger in Part II (*Some Questions and Answers on the Demerger*).

VOTE ON THE RESOLUTIONS AT THE GENERAL MEETING

How the vote on the Resolutions works

You will be asked to cast your votes on each Resolution separately. A Resolution will only be passed if the votes cast in favour of it at the General Meeting to be held at 11:00am on 1 November 2016 represent a majority of the votes cast in respect of that Resolution, whether in person or by proxy.

The RAP proposed to be adopted in accordance with the RAP Resolution will only be adopted if both the Demerger Resolution and RAP Resolution are passed.

How to cast your vote on the Resolutions

It is important that as many Shareholders as possible cast their votes. You may attend the General Meeting to vote in person. If you do not wish, or are unable, to attend the General Meeting, you may vote online or appoint someone (known as a proxy) to act and vote on your behalf. Your proxy must attend the General Meeting. Alternatively, you can choose to appoint the Chairman of the General Meeting as your proxy.

You may appoint your proxy by either completing the Form of Proxy and returning it, or submitting your vote online, in accordance with the instructions printed on the Form of Proxy and set out in the Notice of Meeting at the end of this document.

If you hold esure Shares in uncertificated form, you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST Manual, ensuring that it is received by the Registrars (under CREST Participant ID RA19) by no later than 48 hours before the time appointed for the General Meeting.

Should you later change your mind and decide to attend the General Meeting in person, returning the Form of Proxy will not preclude you from doing so.

If you require assistance relating to the completion and return of the Form of Proxy, please telephone Equiniti Limited on 0333 207 6509 (from inside the UK) or +44 121 415 0985 (from outside the UK). Lines are open 8:30am to 5:30pm, Monday to Friday (excluding public holidays in England and Wales). Calls to this Shareholder Helpline from outside the UK are charged at the applicable international rates. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Demerger nor give financial, tax, investment or legal advice.

PART I
LETTER FROM THE CHAIRMAN OF ESURE GROUP PLC



esure Group plc

(incorporated in England and Wales under the Companies Act 1985 with registered number 7064312)

Directors:

Sir Peter Wood
Ms María Dolores Dancausa
Ms Shirley Garrod
Mr Darren Ogden
Mr Martin Pike
Ms Angela Seymour-Jackson
Mr Stuart Vann
Mr Peter Ward

Registered office:

esure Group plc
The Observatory,
Castlefield Road,
Reigate,
Surrey
RH2 0SG,
United Kingdom

11 October 2016

Dear Shareholder,

**Recommended proposal for the demerger
of the Gocompare.com Group from the esure Group**

1) Introduction

On 13 September 2016, the esure Board announced its intention to separate Gocompare.com Group from the rest of the esure Group.

It is proposed that this separation be effected by way of a demerger of the Gocompare.com Group from the esure Group by esure making an interim in-specie distribution of Gocompare.com Shares to Shareholders. The Demerger is conditional on, among other things, the approval of Shareholders of the Demerger Resolution at the General Meeting (notice of which is included at the end of this document).

If the Demerger proceeds, Shareholders who are registered on the esure Share Register at the Record Time will receive:

one Gocompare.com Share for each esure Share

then held by them, so that, upon completion of the Demerger, all Shareholders will hold one Gocompare.com Share for each esure Share held at the Record Time. Shareholders will continue to own their existing esure Shares, unless sold by them.

Following the Demerger, it is expected that the Gocompare.com Shares will have a premium listing on the Official List and be admitted to trading on the main market for listed securities of the London Stock Exchange. The esure Shares will retain their premium listing on the Official List and will continue to be traded on the main market for listed securities of the London Stock Exchange. It is expected that the Demerger will be completed on 3 November 2016, immediately prior to Admission. It is expected that Admission will become effective, and that dealings in Gocompare.com Shares will commence on the London Stock Exchange, at 8:00 a.m. on 3 November 2016.

The purpose of this document is to:

- set out the background to, and the reasons for, the Demerger;

- explain why the esure Board believes that the Demerger is in the best interests of Shareholders as a whole and why it unanimously supports the Demerger;
- explain the Resolutions to be put to Shareholders at the General Meeting to be held at 11:00am on 1 November 2016 at The Observatory, Castlefield Road, Reigate, Surrey RH2 0SG; and
- unanimously recommend that Shareholders vote in favour of the Resolutions.

2) Background to, and reasons for, the Demerger

Strategic Review

On 7 June 2016, esure announced that it had commenced a strategic review of the Gocompare.com Business. On 13 September 2016, esure announced the outcome of the strategic review, which concluded that the Gocompare.com Group should be separated from the esure Group by way of the Demerger.

esure believes that the Demerger will provide both the esure Group and the Gocompare.com Group with a number of opportunities and benefits, including the following:

- the Demerger will create two separately listed and focussed groups, a leading UK provider of motor and home insurance and a leading UK price and product comparison website;
- the Demerger will improve Gocompare.com's ability to attract and retain technology focussed senior managers, who would join a stand-alone entrepreneurial digital technology business;
- the Demerger will allow the separate management teams of esure and Gocompare.com to focus on pursuing their own strategies independently;
- the Demerger will enhance the ability of esure and Gocompare.com to align senior management incentives with the performance of their standalone business rather than to the existing combined group; and
- the Demerger will enable esure and Gocompare.com to optimise their business to the relevant regulatory environments within which they operate and provide both the esure Group and the Gocompare.com Group with the flexibility to adopt their own appropriate capital structures.

Owing to the distinct nature of the Gocompare.com Business and its significantly different capital, growth and regulatory profile compared with the esure Group's core operations in the general insurance sector, together with the fact that the esure Group only completed the acquisition of the remaining 50 per cent. of the Gocompare.com Group in March 2015, the esure Group currently operates the Gocompare.com Business with its own relatively independent management team and supporting infrastructure. As a consequence, the Demerger is unlikely to cause material dis-synergies. The commercial relationship between esure and Gocompare.com is conducted on an independent and arm's length basis.

3) The esure Business and the Gocompare.com Business

The esure Group primarily operates as a general insurer, whereas the core activity of the Gocompare.com Group is the operation of a UK price and product comparison website which allows customers to search for and compare a range of financial and other products.

The esure Business

The esure Group is a leading UK provider of motor and home insurance under the esure and Sheilas' Wheels brands. Through a focused approach to underwriting, and by offering a diverse range of products, the esure Group is able to attract and retain customers with its strong brands, competitive prices and excellent customer service. esure Group's strategy is designed to deliver enhanced stakeholder value by following a theme of trying to make things simple for its customers.

Motor underwriting is the esure Group's largest product line as measured by in-force policies. Home underwriting is also a significant product line with over half a million in-force policies. esure Group takes a disciplined approach to risk selection based on careful management of underwriting risk exposure. This is supplemented through data enrichment and anti-fraud controls. The business targets a positive

underwriting contribution, and esure's underwriting focus is supplemented by an efficient expense base. In addition to underwriting, esure Group derives income from non-underwritten additional services and its investment activities.

The Gocompare.com Business

Gocompare.com operates a leading UK price and product comparison website, www.gocompare.com, which attracts approximately 5 million visits every month. Gocompare.com offers a free online service that is designed to save consumers money and enables consumers to compare the prices and features of more than 40 products in a quick and easy way.

Gocompare.com was launched by a team of insurance comparison experts in November 2006 and was the first UK insurance price and product comparison website to display both product features and prices in search results. The Gocompare.com Group aims to help customers make better informed purchasing decisions and uses data gathered from over 20 million unique customers in the last 10 years to underpin its drive to continually improve its customer proposition and leverage its strong market position. In the first half of 2016 there were over 15 million customer interactions on or from Gocompare.com.

Gocompare.com provides fair and unbiased product comparison services, Gocompare.com compares over 600 partner brands¹ across more than 40 products, does not accept advertising or sponsored listings and is not tied to any particular product provider. To date the Gocompare.com Group's strategic focus has been on providing comparison services relating to insurance products, however, the Gocompare.com Directors believe that there is a significant opportunity to strengthen the Gocompare.com Group's position in insurance product comparison, refocus on growth opportunities in the comparison of other products and explore data science opportunities arising from analysis of its customer database including refining the accuracy of product comparisons and enhancing the relevance of products compared.

Gocompare.com does not charge customers for using its services and customers are not expected to find an identical product for a cheaper price by going direct to insurance partners' own websites. Instead, the Gocompare.com Group primarily generates revenue from fees paid by its insurance partners each time a customer clicks through to the insurance partner's website and completes a transaction with that partner.

No commercial preference is provided to any partner, therefore ranking is transparent and is never compromised by any relationship with a business. Consumers will see esure Group brands listed when they use Gocompare.com's insurance comparison services, however, no preferential ranking is, or has ever been, provided to these brands over other partners.

4) Summary of how the Demerger is to be implemented

The Demerger will be implemented by esure making an interim in-specie distribution of Gocompare.com Shares, immediately prior to Admission, to Shareholders who are registered on the esure Share Register at the Record Time. The Demerger is expected to be implemented on 3 November 2016, immediately prior to Admission.

The Demerger is conditional on a number of things, including the Demerger Resolution being approved by Shareholders.

Upon completion of the Demerger, Shareholders who are registered on the esure Share Register at the Record Time will hold one Gocompare.com Share for each esure Share then held by them.

A summary of the steps to be taken to effect the Demerger, including the change in shareholding of Gocompare.com from esure Services Limited to esure, is set out in question four in Part II (*Some Questions and Answers on the Demerger*).

5) Effects of the Demerger

As at 30 June 2016, the esure Group had consolidated net assets of £346.5 million (extracted without material adjustment from the historical financial information of the esure Group as at 30 June 2016).

¹ A single partner may feature more than one brand on Gocompare.com.

An unaudited pro forma statement showing the effect of the Demerger on the esure Group's consolidated net assets and liabilities is set out in Part V (*Unaudited Pro Forma Information for the Retained Group*).

The illustrative consolidated net assets of the esure Group as at 30 June 2016, on a pro forma basis and adjusted to reflect as if completion of the Demerger had occurred on that date, would have been £242.7 million.

As at 30 June 2016, Gocompare.com Group had consolidated net assets of £10.3 million (extracted without material adjustment from the historical financial information of the Gocompare.com Group as at 30 June 2016).

Following approval of the Demerger Resolution by the Shareholders at the General Meeting but prior to the approval of the Demerger Dividend by the esure Board, the Gocompare.com Group will drawdown debt of £75 million under the Term Loan Facility to pay a pre-Demerger cash dividend of approximately £65.3 million to the esure Group and to pay fees associated with the Demerger and Admission of approximately £9.7 million. The Gocompare.com Group will also pay a cash dividend of approximately £8 million to the esure Group to extract excess cash in the Gocompare.com Group. These dividends will cover the fees associated with the Demerger to be paid by esure of approximately £6.3 million and provide additional headroom above the esure Group's solvency capital requirements ("**SCR**").

The esure Board has considered the risk appetite of the esure Group as part of the exceptional Own Risk and Solvency Assessment ("**ORSA**") process under Solvency II. In light of the composition of the Retained Group, the esure Board believe an appropriate level of capital coverage against its SCR capital requirements to be in the region of 130 per cent. to 150 per cent.. The esure Board believes the capital surplus above the SCR provides sufficient headroom to absorb adverse capital events and should enable the esure Group to continue to meet its regulatory capital requirements which are unchanged post the Demerger. It is expected that the esure Group will initially operate in the middle to upper end of the range, providing the esure Group with flexibility to fund further profitable growth.

Following the Demerger, the Board does not intend to amend the current esure dividend policy, which targets a base dividend of 50 per cent. of underlying profit after tax in addition to a further special dividend, if the esure Group has sufficient capital and distributable reserves, after allowing for an appropriate buffer and future growth. However, the Gocompare.com Group currently contributes to the underlying profit after tax of the esure Group and following the Demerger, the esure Group will no longer receive this contribution. The fees associated with the Demerger will not impact the esure Group's 2016 final dividend and will be adjusted for in the esure Group's 2016 underlying profit after tax.

6) Board structures and corporate governance

The directors of esure as at the date of this document are set out at the beginning of this letter and there will be no changes to the esure Board in connection with the Demerger.

As at the date of this document the directors of Gocompare.com are:

<u>Name</u>	<u>Position</u>
Sir Peter Wood	Chairman
Angela Seymour-Jackson	Deputy Chairman and Senior Independent Director
Matthew Crummack	Chief Executive Officer
Nick Wrighton	Chief Financial Officer
Zillah Byng-Thorne	Non-executive director
Adrian Webb	Non-executive director

7) Share schemes

In the context of the Demerger, the Remuneration Committee have used their discretion to determine that awards made in 2014 under the Performance Share Plan (the "**PSP**") that were due to vest based on performance to the end of 2016 will vest prior to the Demerger becoming effective. Awards will vest prior to the Record Time based on the Remuneration Committee's view of performance to the chosen revised end date of the performance period. Details of vested awards for the Executive Directors will be set out in an RNS at the time of vesting and further details provided in the next Annual Report.

A small number of Gocompare.com employees were granted awards in 2015 under the PSP. The Remuneration Committee will determine the leaver treatment in relation to these awards after the Demerger. No other outstanding discretionary share awards are held by Gocompare.com employees in respect of other years.

For all other employees, the Remuneration Committee will consider whether the performance conditions associated with outstanding awards at the Record Time awarded in 2015 and 2016 under esure's share plans (the PSP and the Strategic Leadership Plan (the "SLP")) will be adjusted as a result of the Demerger. Details of any such adjustments, if determined, will be provided in future annual reports.

In other cases, where no such adjustments are able to be made, for example, in relation to any HMRC tax-advantaged plans such as the Sharesave Plan, a compensatory cash payment with reference to the difference in value as at the time of the Demerger is expected to be made to the participants in lieu of an adjustment. The timing of such payments will be determined by the Remuneration Committee.

In order to incentivise its employees after the Demerger, Gocompare.com will adopt its own employee share plans, initially comprising two discretionary plans (a performance share plan and a deferred bonus plan) and two all-employee tax-advantaged plans (a savings-related share option plan and a share incentive plan).

8) Restructuring Award Plan ("RAP")

Separate Shareholder approval is also being sought for the Restructuring Award Plan (the "RAP"). Full details of the RAP are set out in Appendix 1 to the Notice of Meeting at the end of this document. The purpose of the RAP is to compensate for the significant opportunity lost under outstanding unvested incentive arrangements at the point of the Demerger as a result of the reduced size of the esure Group, any reduced market value of an esure Share following the Demerger, as well as to reward selected employees of the esure Group with awards in recognition of the strategic development of the Gocompare.com Business since its acquisition and for the successful completion of the Demerger and Admission.

9) Gocompare.com Group Pensions

Gocompare.com employees are either automatically enrolled into the Gocompare.com defined contribution stakeholder pension scheme or opt-in to join the group defined contribution personal pension plan known as 'Smart Pensions'. Gocompare.com's 'Smart Pensions' scheme will remain unchanged following completion of the Demerger and is separate from the defined contribution schemes utilised by employees of the esure Group.

Neither the Gocompare Group nor the esure Group operate a defined benefit pension scheme.

10) Profit forecast

The Directors confirm that they expect 20 to 30 per cent. growth in operating profit for the Gocompare.com Group for the financial year ending 31 December 2016 compared to the financial year ended 31 December 2015 (the "**Gocompare.com Group 2016 Profit Forecast**").

The Directors have previously noted that they expect the Gocompare.com Group to achieve at least £50 million of EBITDA by 2019 (the "**Gocompare.com Group 2019 EBITDA Guidance**").

The Directors consider the Gocompare.com Group 2019 EBITDA Guidance to no longer be valid.

The Directors confirm that the Gocompare.com Group 2019 EBITDA Guidance was originally provided in the context of Gocompare.com being a subsidiary of the wider Group and reflects base case assumptions and expectations for the subsidiary to 2019. The Gocompare.com Group 2019 EBITDA Guidance was not a profit forecast for the Group in the context of other material operating activities of the group including motor and home underwriting, sale of additional services in relation to the insurance offering and proceeds from investment activities.

However, in the context of the Demerger and of Gocompare.com as a standalone entity, the Gocompare.com Group 2019 EBITDA Guidance is a profit forecast for the Gocompare.com Group and, as a result, both the Gocompare.com Prospectus and this Circular are required to include a statement on

the Gocompare.com Group 2019 EBITDA Guidance and an explanation of why such forecast is no longer valid if that is the case. In this context, the Directors have considered it appropriate to apply a range of downside scenarios to the guidance which they did not previously consider appropriate given the lesser materiality of the subsidiary within the overall esure Group result.

The compounding and aggregating effect of these downside scenarios on the Gocompare.com Group 2019 EBITDA Guidance, in addition to the potential impact of macro-economic and industry downside scenarios, over a period of more than three calendar years is such that the Gocompare.com Group 2019 EBITDA Guidance does not remain valid.

The Directors remain confident of the prospects for the Gocompare.com Business and have provided guidance for the financial year ending 31 December 2016 above.

11) Taxation

A guide to the general tax consequences of the Demerger for Shareholders who are resident in the United Kingdom (“**UK**”) for UK tax purposes and/or are subject to tax in the United States (“**US**”) is set out in Part VI (*Taxation*). Any person who is in any doubt as to their tax position, or who is subject to tax in any jurisdiction other than the UK or the US, should consult their own professional adviser without delay.

12) Overseas Shareholders

The implications of the Demerger for Overseas Shareholders may be affected by the laws of the jurisdiction in which they are resident or otherwise located. Overseas Shareholders should inform themselves about and observe all applicable legal requirements.

It is the responsibility of any person into whose possession this document comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the interim in-specie distribution of Gocompare.com Shares pursuant to the Demerger, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any taxes or levies due in such jurisdiction.

13) Dividends and existing mandates

All the Gocompare.com Shares will rank *pari passu* in all respects, there being no conversion or exchange rights attaching thereto, and all Gocompare.com Shares will have equal rights to participate in capital, dividend and profit distributions by Gocompare.com.

esure, on behalf of Gocompare.com, notifies Shareholders that all mandates relating to the monetary payment of dividends on esure Shares and other instructions, including communication preferences, given to esure by Shareholders, which are in force at the Record Time relating to their holding of esure Shares will, unless amended or revoked, be deemed from Admission to be an effective mandate or instruction to Gocompare.com in respect of the corresponding Gocompare.com Shares.

14) Risk factors

For a discussion of the risks and uncertainties which you should take into account when considering whether to vote in favour of the Demerger Resolution, please refer to Part III (*Risk Factors*) of this document.

15) General Meeting

You will find set out at the end of this document a notice convening a general meeting of esure to be held at 11:00am on 1 November 2016 at the registered office of esure at The Observatory, Castlefield Road, Reigate, Surrey RH2 0SG. At the General Meeting:

- the Demerger Resolution, which is an ordinary resolution, will be proposed to approve the declaration of an interim in-specie distribution to give effect to the Demerger; and
- the RAP Resolution, which is also an ordinary resolution, will be proposed to authorise the adoption of the RAP and the grant of the proposed awards under it.

Approval of the Demerger Resolution is not conditional on the passing of the RAP Resolution. However, the RAP proposed to be adopted in accordance with the RAP Resolution will only be adopted if both the Demerger Resolution and RAP Resolution are passed.

Shareholders should read the Notice of Meeting at the end of this document for the full text of the Resolutions and for further details about the General Meeting.

16) Action to be taken

You will find enclosed with this document a Form of Proxy for use at the General Meeting or any adjournment thereof. Whether or not you intend to attend the General Meeting you are requested to complete the enclosed Form of Proxy in accordance with the instructions set out thereon and to return it as soon as possible and in any event so as to be received by esure's registrars, Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA. Alternatively, Shareholders may submit their vote online in accordance with the procedures set out in the Notice of Meeting at the end of this document. The completion and return of the Form of Proxy will not preclude you from attending and voting in person at the General Meeting, or any adjournment thereof.

If you require assistance relating to the completion and return of the Form of Proxy, please telephone Equiniti Limited on 0333 207 6509 (from inside the UK) or +44 121 415 0985 (from outside the UK). Lines are open 8:30am to 5:30pm, Monday to Friday (excluding public holidays in England and Wales). Calls to this Shareholder Helpline from outside the UK are charged at the applicable international rates. Please note that calls may be recorded and randomly monitored for security and training purposes. Shareholder Helpline operators cannot provide advice on the merits of the Demerger nor give financial, tax, investment or legal advice.

17) Financial advice

The esure Board has received financial advice from Deutsche Bank in relation to the Demerger. In providing its advice, Deutsche Bank has relied upon the esure Board's commercial assessment of the Demerger.

18) Recommendation

The esure Board considers that the Demerger is in the best interests of Shareholders as a whole. Accordingly, the esure Board unanimously recommends that Shareholders vote in favour of the Resolutions to be proposed at the General Meeting, as each Director has undertaken to do in respect of his or her own beneficial shareholding (where a director holds esure Shares), amounting in aggregate to 132,235,107 esure Shares, representing approximately 31.72 per cent. of the issued ordinary share capital of esure as at the Reference Date.

Yours faithfully,

Sir Peter Wood
Chairman

PART II

SOME QUESTIONS AND ANSWERS ON THE DEMERGER

The following summary of questions and answers has been prepared to help you understand what the Demerger involves. You should read the whole of this document and not rely solely on the summary questions and answers set out below.

1) What is the Demerger and Admission?

The Demerger is the separation of the Gocompare.com Group from the esure Group. This will result in the creation of two independent groups, the esure Group, with its core operations in the general insurance sector, and the Gocompare.com Group, operating a price and product comparison website.

Admission involves Gocompare.com applying to the FCA for all of the Gocompare.com Shares to be admitted to the premium listing segment of the Official List. Application will also be made to the London Stock Exchange for Gocompare.com Shares to be admitted to trading on its main market for listed securities. No application has been made for admission of Gocompare.com Shares to trading on any other stock exchange (nor is it the current intention of Gocompare.com to make any such application in the future).

Following the Demerger, Gocompare.com Shares will have a premium listing on the Official List and be admitted to trading on the main market for listed securities of the London Stock Exchange. The esure Shares will retain their premium listing on the Official List and will continue to be traded on the main market for listed securities of the London Stock Exchange.

It is expected that the Demerger will be completed, Admission will become effective and that dealings in Gocompare.com Shares will commence on the London Stock Exchange by no later than 8:00 a.m. (London time) on 3 November 2016.

2) Why am I being sent this document?

The Demerger requires the approval of Shareholders at the General Meeting. This document, sometimes referred to as the 'Circular', contains information to assist you in your voting decision.

The General Meeting is to be held at 11:00am on 1 November 2016 at the registered office of esure at The Observatory, Castlefield Road, Reigate, Surrey RH2 0SG and the Notice of Meeting is set out at the end of this document.

3) Why is esure proposing the separation of the Gocompare.com Group from the esure Group?

The decision to pursue the Demerger follows a strategic review of the Gocompare.com Group announced in June 2016.

On 13 September 2016, esure announced the outcome of the strategic review, which concluded that the Gocompare.com Group should be separated from the esure Group by way of the Demerger.

esure believes that the Demerger will provide both the esure Group and the Gocompare.com Group with a number of opportunities and benefits, including the following:

- the Demerger will create two separately listed and focussed groups, a leading UK provider of motor and home insurance and a leading UK price and product comparison website;
- the Demerger will improve Gocompare.com's ability to attract and retain technology focussed senior managers, who would join a stand-alone entrepreneurial digital technology business;
- the Demerger will allow the separate management teams of esure and Gocompare.com to focus on pursuing their own strategies independently;
- the Demerger will enhance the ability of esure and Gocompare.com to align senior management incentives with the performance of their standalone business rather than to the existing combined group; and

- the Demerger will enable esure and Gocompare.com to optimise their business to the relevant regulatory environments within which they operate and provide both the esure Group and the Gocompare.com Group with the flexibility to adopt their own appropriate capital structures.

4) How will the Demerger be implemented?

The demerger of the Gocompare.com Group from the esure Group is proposed to be effected by esure declaring an interim in-specie distribution of all of the Gocompare.com Shares to Shareholders.

As at the Reference Date, the entire issued share capital of Gocompare.com is held by esure Services Limited. Following the Demerger, the Gocompare.com Shareholders shall be the same as the shareholders of esure as at the Record Time.

If the Demerger proceeds, Shareholders who are registered on the esure Share Register at the Record Time will receive:

one Gocompare.com Share for each esure Share

then held by them so that, upon the Demerger becoming effective immediately prior to Admission, all Shareholders will hold one Gocompare.com Share for each esure Share held at the Record Time. Shareholders will continue to own their existing esure Shares unless sold by them.

5) What are the key steps and conditions to implement the Demerger?

The Demerger is conditional upon, among other things, the passing of the Demerger Resolution to be proposed as an ordinary resolution at the General Meeting and the approval of the Demerger Dividend by the esure Board.

Aside from the passing of the Demerger Resolution, the key remaining steps associated with implementation of the Demerger are:

- (A) Gocompare.com Finance Limited will drawdown £75 million under the Term Loan Facility;
- (B) the Gocompare.com Group will pay a pre-Demerger cash dividend of approximately £65.3 million to the esure Group;
- (C) declaration by the esure Board of the Demerger Dividend; and
- (D) receipt by Shareholders at the Record Time of Gocompare.com Shares by way of the Demerger Dividend.

Prior to the Demerger, Gocompare.com intends to pay an additional cash dividend of approximately £8 million to esure Services Limited in the normal course of business to extract excess cash retained in the Gocompare.com Group.

It should be noted that, although it is currently esure's intention that the Demerger should be completed, esure is entitled to decide not to proceed with the Demerger at any time prior to completion of the Demerger if it determines that it would not be in the interests of Shareholders as a whole.

6) When must an issue or transfer of esure Shares to me be recorded on the esure Share Register if I am to be a registered holder of esure Shares and able to participate in the Demerger?

The issue or transfer of esure Shares must be recorded on the esure Share Register held by the Registrars by 6:00 p.m. on 2 November 2016 if you are to be the registered holder of esure Shares by the Record Time and able to participate in the Demerger.

7) Can I elect to receive cash instead of shares in Gocompare.com?

This is not an option under the Demerger. However, all Shareholders will be entitled to sell their esure Shares or, following their receipt, sell their Gocompare.com Shares, in the usual course. It should be noted, however, that if you transfer or sell all of your esure Shares prior to the Record Time, you will not receive any Gocompare.com Shares as part of the Demerger.

8) Will I receive a prospectus relating to Gocompare.com?

The Gocompare.com Prospectus is available online at www.gocomparegroup.com.

The Gocompare.com Prospectus can also be viewed online on the National Storage Mechanism's website www.morningstar.co.uk/uk/NSM or until Admission at the following places during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) until Admission:

- the registered office of Gocompare.com at Imperial House, Imperial Way, Newport, Gwent NP10 8UH, United Kingdom; and
- the offices of Slaughter and May at One Bunhill Row, London EC1Y 8YY, United Kingdom.

9) How does the esure Board recommend I vote?

The esure Board unanimously recommends that you vote in favour of the Resolutions to be considered at the General Meeting.

Each Director intends to vote all esure Shares that he/she owns or controls in favour of the Demerger.

10) How do I vote?

It is important that as many Shareholders as possible cast their votes. You may attend the General Meeting to vote in person. If you do not wish, or are unable, to attend the General Meeting, you may vote online or appoint someone (known as a proxy) to act and vote on your behalf. Your proxy must attend the General Meeting. Alternatively, you can choose to appoint the Chairman of the General Meeting as your proxy.

You may appoint your proxy either by completing the Form of Proxy and returning it or submitting your vote online, in accordance with the instructions printed on the Form of Proxy and set out in the Notice of Meeting at the end of this document.

If you require assistance relating to the completion and return of the Form of Proxy, please telephone Equiniti Limited on 0333 207 6509 (from inside the UK) or +44 121 415 0985 (from outside the UK). Lines are open 8:30am to 5:30pm, Monday to Friday (excluding public holidays in England and Wales). Calls to this Shareholder Helpline from outside the UK are charged at the applicable international rates. Please note that calls may be recorded and randomly monitored for security and training purposes. Shareholder Helpline operators cannot provide advice on the merits of the Demerger nor give financial, tax, investment or legal advice.

If you hold esure Shares in uncertificated form, you may also appoint a proxy by completing and transmitting a CREST proxy instruction in accordance with the procedures set out in the CREST Manual, ensuring that it is received by the Registrars (under CREST Participant ID RA19) by no later than 48 hours before the time appointed for the General Meeting.

Should you later change your mind and decide to attend the General Meeting in person, then returning the Form of Proxy will not preclude you from doing so.

11) Will the Demerger lead to a change in how the two businesses are run?

The Demerger will create two distinct, legally separate, groups with different strategic, operational and economic characteristics, with their own dedicated management teams, as detailed in section 2 of the letter from the Chairman in Part I.

Following the Demerger, the management team of Gocompare.com will become accountable to the board of directors of Gocompare.com. The Gocompare.com Group and esure Group will then pursue their strategies independently.

Operated as an independent online price and product comparison business, with its own board focused solely on the Gocompare.com Business, rather than as a subsidiary of a general insurance group, the esure Board believes that Gocompare.com management team will be better placed to pursue avenues for growth and to create value by building on Gocompare.com existing market position.

The separation will also allow the esure Group to continue to focus on its core businesses in the general insurance sector. esure's strategy will remain unchanged and continue to focus on growth of its insurance business and seek to take advantage of the opportunities presented through an improving motor market.

12) Will there be any ongoing relationship between the Gocompare.com Group and the esure Group?

Following completion of the Demerger, Gocompare.com and esure will each operate as independent and separately listed companies and neither will have a shareholding in the other. Each company will have its own board of directors, though Sir Peter Wood and Angela Seymour-Jackson will sit on the boards of both esure and Gocompare.com following the Demerger.

Following the Demerger, there will be an ongoing relationship between the esure Group and the Gocompare.com Group and their respective subsidiaries pursuant to the agreements described below.

CPA Agreements

esure Services Limited has entered into a 'cost per acquisition' agreement (the "**CPA Agreement**") with Gocompare.com Limited on arms-length terms under which esure Services Limited pays a fee to Gocompare.com Limited each time a consumer has clicked through to esure's website and completed an acquisition. In addition to the CPA Agreement, esure Services Limited is party to various 'cost per acquisition' agreements with a number of other price comparison website partners and party to a similar 'white-label' agreement with Gocompare.com Limited. esure Broker Limited is also party to a similar service agreement with Gocompare.com Limited.

Demerger Agreement

esure and Gocompare.com have entered into a demerger agreement to effect the Demerger and to govern the post-Demerger obligations of the esure Group and the Gocompare.com Group.

The Demerger Agreement contains customary demerger mutual cross indemnities under which Gocompare.com indemnifies the esure Group against losses, costs, damages and expenses of any kind suffered or arising directly or indirectly from or in consequence of the business carried on by the Gocompare.com Group prior to the Demerger and esure indemnifies the Gocompare.com Group against losses, costs, damages and expenses of any kind suffered or arising directly or indirectly from or in consequence of the business carried on by the esure Group other than the Gocompare.com Group prior to the Demerger. Claims made under these mutual cross indemnities by the indemnified party are, subject to the right of the indemnifying party to defend any such claim, required to be paid by the indemnifying party. These mutual cross indemnities are unlimited in terms of amount and duration. It is not currently anticipated that the esure Group will be required to pay, or receive, any amounts pursuant to such indemnity obligations.

The esure Group will continue to provide certain limited company secretarial, technical accounting and tax consultancy services on an as-requested basis to the Gocompare.com Group for a period expected to end on 31 May 2017 under the terms of the Demerger Agreement. Services provided by the esure Group to the Gocompare.com Group will be charged on an arms-length cost-plus basis.

Further details about the Demerger Agreement are set out in section 13.1 of Part VII (*Additional Information*).

13) What will be the price of esure Shares and Gocompare.com Shares upon completion of the Demerger and Admission?

Following completion of the Demerger, Shareholders will hold one Gocompare.com Share for every one esure Share they hold at the Record Time.

There is no certainty as to the price of esure Shares or Gocompare.com Shares upon completion of the Demerger and Admission.

14) What are the most significant recent trends affecting businesses of esure and Gocompare.com?

esure

esure's motor insurance business has benefited from growth of in-force policies in the competitive UK general insurance market and a hardening premium rate environment in 2016, which has led to growth in gross written premiums. The profitability of esure's home insurance business is mainly dependent on the absence of large and/or numerous claims arising from the occurrence of adverse weather and, in the first half of 2016, adverse weather events negatively impacted esure's financial performance.

esure's investment portfolio of fixed income, cash (and cash equivalents) and equities delivered relatively good performance in the first half of 2016. The UK referendum vote seems to have had a limited impact on the esure Group's investment return. esure remains well capitalised under Solvency II capital requirements and, upon the Demerger becoming effective, esure's level of capital coverage will exceed its Solvency II capital requirements

Gocompare.com

The first UK insurance price and product comparison website was launched in 2002. Since that date, price and product comparison websites have become an everyday part of the financial services landscape for UK consumers with most UK consumers having researched a product on a price and product comparison website and UK financial services price and product comparison websites now receiving over 26 million visits each month. For example, in 2015, approximately 70 per cent. of car insurance policy switches and over 65 per cent. of home insurance switches were derived from price and product comparison websites.

In the UK, most price and product comparison website activity is still for car insurance and home insurance switches, however, the industry has been broadening its reach into other product comparisons, such as credit card, savings account and energy switches and consumer interest in using price and product comparison websites to research those products is increasing. In recent years, UK regulators have become increasingly focused on consumer choice and seeking to promote activity that is beneficial to the consumer. For example, the Office of Gas and Electricity Markets ("**Ofgem**") and the Office of Communications ("**Ofcom**") have been encouraging consumers to consider switching energy and broadband providers to ensure they obtain a product best suited to their needs and budget. Price and product comparison websites make it quick and easy for consumers to compare products and make an informed choice about purchasing, or switching to, a range of products.

The Gocompare.com Directors believe that there is room for growth in the number of car and home insurance policy switches that are derived from UK price and product comparison websites and that Gocompare.com can benefit from that growth. The Gocompare.com Directors also believe that there is significant room for growth in the market for the comparison of products beyond the insurance market from where Gocompare.com currently generates most of its revenue and that Gocompare.com can benefit from that growth.

Developments in the underlying markets for general insurance and other products available on www.gocompare.com also impact Gocompare.com's business. For example, the motor insurance industry has historically fluctuated in cyclical patterns defined by periods of low premiums, such periods being known as a 'soft' insurance market, followed by periods of diminished competition and higher premiums, such periods being known as a 'hard' insurance market. As a general rule, switching activity tends to increase in hard markets, as when premiums start to increase, this encourages consumers to review their policies and search for more attractive products with lower premiums, thereby boosting the demand for comparison services.

Evolving technology and the continuing transition to online continues to change consumer behaviour in a way which is beneficial to price and product comparison websites. In addition, mobile technology is becoming an increasingly important part of the industry landscape with over a third of visits to price and product comparison websites coming from mobile devices in 2015, up from approximately 19 per cent. in 2013.

15) Who will be on the esure Board after the Demerger?

There will be no changes to the esure Board in connection with the Demerger.

16) What will be the impact of the Demerger on esure's dividends?

Following the Demerger, the Board does not intend to amend the current esure dividend policy, which targets a base dividend of 50 per cent. of underlying profit after tax in addition to a further special dividend, if the esure Group has sufficient capital and distributable reserves, after allowing for an appropriate buffer and future growth. However, the Gocompare.com Group currently contributes to the underlying profit after tax of the esure Group and following the Demerger, the esure Group will no longer receive this contribution. The fees associated with the Demerger will not impact the esure Group's 2016 final dividend and will be adjusted for in the esure Group's 2016 underlying profit after tax.

17) How have the esure Board gained comfort over the solvency position of the esure Group following the Demerger?

The ORSA Policy, which is mandatory under the Solvency II regime, requires an Exceptional ORSA process to be conducted in the event of a major strategic development such as divestment or structural change. The ORSA process considers on a forward looking basis the risks and capital requirements of the esure Group and esure Insurance Limited across the planning horizon which is at least 3 years.

The process is owned by the esure Board and forms an integral part of the consideration of the risks and solvency for the Demerger. This was completed and agreed by the esure Board on 12 September 2016 and indicated that, in light of the composition of the Retained Group, the esure Board believe an appropriate level of capital coverage against its Solvency II capital requirements to be in the region of 130 per cent. to 150 per cent.. The esure Board believe the capital surplus above the Solvency II capital requirements provides sufficient headroom to absorb adverse capital events and should enable the esure Group to continue to meet its regulatory capital requirements which are unchanged post the Demerger. It is expected that the esure Group will initially operate in the middle to upper end of the stated range, providing the esure Group with flexibility to fund further profitable growth.

18) What will happen if the Demerger Resolution is not approved by Shareholders?

If the Demerger Resolution is not approved by Shareholders, the Gocompare.com Group will not separate from the esure Group and will continue to trade under the umbrella of the esure Group for a period of time, during which time the esure Board will assess its strategy relating to the Gocompare.com Group. As long as the Gocompare.com Group remains a part of the esure Group, esure Shares will also represent an interest in the Gocompare.com Group, as they do today. In addition, the Term Loan Facility will not become unconditional and will not therefore be available to the Gocompare.com Group.

If the Demerger Resolution is not approved by Shareholders, the RAP proposed to be adopted in accordance with the RAP Resolution will not be adopted, even if the RAP Resolution is passed.

19) Do I have to pay anything under the Demerger or Admission?

No payment is required from you under the Demerger or Admission.

20) What will happen to my esure Shares?

You will continue to own the same number of esure Shares following the Demerger, but, provided you have not disposed of your esure Shares prior to the Record Time, you will, in addition receive the same number of Gocompare.com Shares. The market value of your esure Shares is expected to reflect the impact of the Demerger.

21) Will Gocompare.com Shares be capable of being held in certificated and uncertificated form and, if I hold esure Shares in certificated form, when can I expect to receive share certificates for Gocompare.com Shares?

Gocompare.com Shares will be in registered form and will be capable of being held in certificated and uncertificated form.

Title to the certificated Gocompare.com Shares (if any) will be evidenced by entry in the register of members of Gocompare.com and title to uncertificated Gocompare.com Shares will be evidenced by entry in the operator register maintained by the Registrar (which will form part of the register of members of Gocompare.com).

No share certificates will be issued in respect of the Gocompare.com Shares in uncertificated form. If any such Gocompare.com Shares are converted to be held in certificated form, share certificates will be issued in respect of those Gocompare.com Shares in accordance with applicable legislation.

Holders of esure Shares on the esure Share Register at the Record Time will constitute the opening register of members of Gocompare.com. The entitlement to receive Gocompare.com Shares pursuant to the Demerger is not transferable. It is expected that definitive certificates in respect of Gocompare.com Shares will be posted to entitled holders of Gocompare.com Shares (who hold their shares in certificated form) at their registered address on the register of members of Gocompare.com by no later than 10 November 2016.

Temporary documents of title will not be issued. Pending despatch of the certificates, transfers of Gocompare.com Shares will be certified against the register of members of Gocompare.com by the Registrars. Share certificates will be despatched to Gocompare.com Shareholders at their own risk.

Share certificates for Gocompare.com Shares will be issued to those Shareholders who hold their esure Shares in certificated form. Those share certificates are expected to be issued on or around 10 November 2016.

22) What if I want to sell my Gocompare.com Shares before I receive my share certificate?

You will be able to sell your Gocompare.com Shares once they have been issued to you. Any transfers made after the Gocompare.com Shares have been issued but before share certificates have been despatched (if applicable) will be registered by the Registrars against Gocompare.com's register of members. Separate share certificates will then be despatched to the purchasers of those Gocompare.com Shares if applicable.

23) Do I need to change my existing instructions so far as the payment of dividends is concerned?

Your present dividend instructions in respect of your esure Shares will apply in respect of your new shareholding in Gocompare.com unless you elect otherwise.

24) What is the estimated cost of implementing the Demerger?

All costs (inclusive of any amounts in respect of VAT) payable in connection with the Demerger and Admission are estimated to amount to approximately £16 million of which approximately £6.3 million will be payable by esure and approximately £9.7 million will be payable by Gocompare.com.

There are no commissions, fees or expenses to be charged directly to Shareholders in connection with the Demerger or Admission.

25) Will I have to pay any tax as a result of the Demerger?

A summary of the general tax consequences of the Demerger for Shareholders who are resident in the United Kingdom for UK tax purposes and/or are subject to tax in the United States is set out in Part VI (*Taxation*).

Any person who is in any doubt as to their tax position, or who is subject to tax in any jurisdiction other than the UK or the US, should consult their own professional adviser without delay.

26) Can Gocompare.com Shares be held under CREST?

The Gocompare.com Articles permit the holding of Gocompare.com Shares under CREST. Gocompare.com will apply for its shares to be admitted to CREST with effect immediately upon Admission.

27) Who is the registrar for Gocompare.com?

Gocompare.com's registrar is Equiniti Limited.

PART III

RISK FACTORS

This section addresses the existing and future material risks that relate to the Demerger. The risks below are not the only ones that the esure Group will face. Some risks are not yet known and some that are not currently deemed material could later turn out to be material. All of these risks could materially affect the esure Group, its income, trading profit, earnings, net assets, liquidity and capital resources. Shareholders should read this section in conjunction with the rest of this document.

1) Risks relating to the Demerger

1.1 The Demerger may fail to realise its anticipated benefits

The esure Group and/or the Gocompare.com Group may fail to realise any or all of the anticipated benefits of the Demerger and the Gocompare.com Group could fail to meet the challenges involved in operating successfully as a stand-alone business.

Some or all of the potential benefits of the Demerger may not be achieved as a result of circumstances outside the control of the esure Group or the Gocompare.com Group. Failure to realise the anticipated benefits of the Demerger could have an adverse effect on the Retained Group's financial condition and operating results.

1.2 esure has given indemnities in favour of the Gocompare.com Group under the Demerger Agreement and should any amounts be payable by esure pursuant to such indemnities, particularly if they are substantial, this could have a material adverse effect on the esure Group's financial condition and/or operating results

esure and Gocompare.com have entered into the Demerger Agreement that governs the post-Demerger obligations of the esure Group and the Gocompare.com Group and contains, for example, mutual indemnities under which esure indemnifies the Gocompare.com Group against liabilities arising in respect of the esure Group other than the Gocompare.com Business and Gocompare.com indemnifies the esure Group against liabilities arising in respect of the business carried on by the Gocompare.com Group. Claims made under these mutual cross indemnities by the indemnified party are, subject to the right of the indemnifying party to defend any such claim, required to be paid by the indemnifying party. These mutual indemnities are unlimited in terms of amount and duration and are customary for an agreement of this type. Although it is not anticipated that esure will be required to pay any amount pursuant to such indemnity obligations, if the amounts payable are substantial, this could have a material adverse effect on the esure Group's financial condition and/or operating results.

2) Risks relating to the Demerger not proceeding

2.1 The Demerger may not proceed if certain conditions for the completion of the Demerger are not met

Completion of the Demerger is subject to the satisfaction of certain conditions by the esure Group and the Gocompare.com Group, details of which are set out in question 5 in Part II (*Some Questions and Answers on the Demerger*) and include, but are not limited to, approval of the Demerger Resolution by the Shareholders at the General Meeting.

There can be no assurance that these conditions will be satisfied or, where relevant, waived. In the event that any condition is not satisfied or waived, the Demerger will not proceed. There are costs associated with the implementation of the Demerger which will still be payable if the Demerger does not proceed.

2.2 If the Demerger does not proceed, Shareholders, the esure Group and the Gocompare.com Group may be unable to realise the anticipated opportunities and benefits of the Demerger

As outlined by the Chairman in section 2 of Part I (*Letter from the Chairman of esure Group plc*), the outcome of the strategic review conducted by the esure Group earlier this year concluded that the Demerger should be implemented because there are a number of potential opportunities and benefits that both the esure Group and the Gocompare.com Group may be able to realise as a result of operating

as distinct and legally separate groups with different strategic, operational and economic characteristics and their own dedicated management teams.

If the Demerger does not proceed, this may prevent both the esure Group and the Gocompare.com Group from being able to realise the anticipated opportunities and benefits of the Demerger.

2.3 If the Demerger does not proceed, this may have an adverse impact on the reputation of the esure Group

If the Demerger does not proceed, this may have an adverse impact on the reputation of the esure Group due to the increased publicity arising in connection with the proposals to implement the Demerger. Any such reputational risk could adversely affect the esure Group's insurance business, financial condition and operating results.

3) Risks relating to the Retained Group

3.1 Following the Demerger, the esure Group will form a smaller, less diversified group

Following the Demerger, the esure Group will no longer own the companies and assets that comprise the Gocompare.com Business. Accordingly, the esure Group will be smaller and less diversified than it is currently. In particular, following the Demerger, the esure Group will no longer be involved in the online price and product comparison market.

As a result of the reduction in the esure Group's size, should any part of its business underperform, this may have a larger relative impact on the esure Group than it would have done prior to the Demerger. In addition, consistent with its smaller size, the overall amount of any future debt or equity financing which the esure Group may obtain may be less, and the terms less favourable, than if the Demerger had not occurred.

3.2 Following the demerger, there will be no ongoing contribution by the Gocompare.com Group to the esure Group's consolidated trading profit

The Gocompare.com Group currently contributes to the consolidated trading profit of the esure Group. Following the Demerger, the esure Group will no longer receive this contribution and this may have a material adverse effect on the financial condition of the Retained Group.

3.3 The market price of the esure Shares may go down as well as up

Shareholders should be aware that the value of an investment in the Retained Group may go down as well as up and can be highly volatile. The price at which the esure Shares may be quoted and the price which investors may realise for their esure Shares will be influenced by a large number of factors, some specific to the Retained Group and its operations, and some which may affect the insurance industry as a whole, other comparable companies or publicly traded companies as a whole.

The sentiments of the stock market regarding the Demerger will be one such factor and this, together with other factors including the actual or anticipated fluctuations in the financial performance of the Retained Group and its competitors, market fluctuations, and legislative or regulatory changes in the insurance industry or generally those affecting consumers could lead to the market price of esure Shares going up or down.

PART IV

HISTORICAL FINANCIAL INFORMATION ON THE GOCOMPARE.COM GROUP

The financial information relating to the Gocompare.com Group in this Part IV:

- (A) for the six months ended 30 June 2016 and 30 June 2015 has been extracted without material adjustment from the consolidation schedules used in preparing the unaudited historical financial information contained within Schedule II (*Historical Financial Information*) of the Gocompare.com Prospectus as reported on by KPMG LLP; and
- (B) for the financial years ended 31 December 2015, 2014 and 2013 has been extracted without material adjustment from the consolidation schedules used in preparing Gocompare.com Group's audited consolidated financial statements for the financial years ended 31 December 2015, 2014 and 2013.

The financial information in this Part IV has been prepared in a manner consistent with the IFRS accounting principles used to prepare Gocompare.com Group's audited consolidated financial statements for the financial year ended 31 December 2015.

Shareholders should read the whole of this document and not rely solely on the summarised information contained in this Part IV (*Historical Financial Information on the Gocompare.com Group*).

Consolidated Statement of Comprehensive Income

(£m)	Six months ended 30 June		Year ended 31 December		
	2016	2015 <i>(unaudited)</i>	2015	2014	2013
Revenue	72.8	59.5	118.9	113.1	109.9
Cost of sales	(22.1)	(15.1)	(31.6)	(27.2)	(29.3)
Gross profit	50.7	44.4	87.3	85.9	80.6
Distribution expenses	(25.6)	(20.6)	(43.4)	(41.5)	(39.0)
Administrative expenses	(10.7)	(10.7)	(20.8)	(18.8)	(16.5)
Operating profit	14.4	13.1	23.1	25.6	25.1
Other income	0.1	0.2	0.2	0.2	0.4
Net finance costs	—	—	—	—	—
Other expenses	—	—	—	—	—
Profit before taxation	14.5	13.3	23.3	25.8	25.5
Taxation	(2.9)	(2.6)	(4.2)	(5.5)	(5.9)
Profit for the year/period	11.6	10.7	19.1	20.3	19.6

Consolidated Statement of Financial Position

(£m)	As at 30 June 2016	As at 31 December 2015
Non-current assets	4.8	4.7
Current assets	27.2	20.0
Total assets	32.0	24.7
Current liabilities	20.8	12.3
Non-current liabilities	0.9	1.2
Total liabilities	21.7	13.5
Net assets	10.3	11.2
Share capital	0.0	0.0
Share premium	2.7	2.7
Retained earnings	7.6	8.5
Other reserves	—	—
Total equity	10.3	11.2

PART V

UNAUDITED PRO FORMA FINANCIAL INFORMATION FOR THE RETAINED GROUP

SECTION A: UNAUDITED PRO FORMA FINANCIAL INFORMATION

The Retained Group consolidated unaudited pro forma statement of net assets as at 30 June 2016 set out below has been prepared to illustrate the effect of the proposed disposal of the Gocompare.com Group by way of the Demerger. The consolidated unaudited pro forma statement of net assets has been compiled using the esure Group's consolidated statement of net assets as at 30 June 2016, adjusted to illustrate the pro forma effect of the proposed demerger of the Gocompare.com Group as if it had occurred on 30 June 2016. The unaudited statement of net assets has been prepared under IFRS on a basis consistent with the accounting policies of the esure Group as applied in preparing its historical financial information and on the basis set out in the notes below and in accordance with Annex I and Annex II to the Prospectus Directive Regulation.

The Retained Group consolidated unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the Retained Group's actual net assets or results. It may not, therefore, give a true picture of the Retained Group's net assets or results nor is it indicative of the results that may or may not be expected to be achieved in the future.

The Retained Group consolidated unaudited pro forma statement of net assets as at 30 June 2016 has been prepared to illustrate the effect of:

- receipt of the pre-Demerger cash dividend from the Gocompare.com Group;
- expenses incurred by the esure Group in connection with the Demerger; and
- separation of the Gocompare.com Group from the esure Group.

Retained Group consolidated unaudited pro forma statement of net assets as at 30 June 2016

	esure Group statement of net assets as at 30 June 2016 (note 1)	Receipt of pre-Demerger cash dividend from the Gocompare.com Group (note 2)	Demerger expenses incurred by esure Group (note 3)	Separation of the Gocompare.com Group from the esure Group: Gocompare.com stand-alone net assets (note 4)	Separation of the Gocompare.com Group from the esure Group: centrally held consolidation adjustments (note 5)	Pro forma Retained Group statement of net assets as at 30 June 2016
	£m	£m	£m	£m	£m	£m
Assets						
Goodwill and intangible assets	176.6	—	—	(3.4)	(159.8)	13.4
Deferred acquisition costs	35.1	—	—	—	(0.9)	34.2
Property, plant and equipment	35.2	—	—	(1.4)	—	33.8
Financial investments	760.8	—	—	—	—	760.8
Reinsurance assets	230.0	—	—	—	—	230.0
Insurance and other receivables	248.0	—	—	(19.3)	—	228.7
Cash and cash equivalents	28.9	65.3	(6.3)	(7.9)	—	77.0
Total assets	1,514.6	65.3	(6.3)	(32.0)	(160.7)	1,377.9
Liabilities						
Insurance contract liabilities	914.7	—	—	—	—	914.7
Borrowings	122.7	—	—	—	—	122.7
Insurance and other payables	100.7	—	—	(18.8)	(1.4)	80.5
Deferred tax liabilities	10.2	—	—	—	(6.8)	3.4
Derivative financial liabilities	11.1	—	—	—	—	11.1
Current tax liabilities	8.7	—	—	(2.9)	—	5.8
Total liabilities	1,168.1	—	—	(21.7)	(8.2)	1,138.2
Net assets	346.5	65.3	(6.3)	(10.3)	(152.5)	242.7

Notes

- (1) The consolidated unaudited pro forma statement of net assets has been compiled using the esure Group's consolidated statement of net assets as at 30 June 2016, adjusted to illustrate the pro forma effect of the proposed demerger of the Gocompare.com Group as if it had occurred on 30 June 2016. The unaudited statement of net assets has been prepared under IFRS on a basis consistent with the accounting policies of the esure Group as applied in preparing its historical financial information and on the basis set out in the notes below and in accordance with Annex I and Annex II to the Prospectus Directive Regulation. The Retained Group consolidated unaudited pro forma statement of net assets has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and, therefore, does not represent the

Part V Unaudited Pro Forma Financial Information for the retained Group

Retained Group's actual net assets or results. It may not, therefore, give a true picture of the Retained Group's net assets or results nor is it indicative of the results that may or may not be expected to be achieved in the future.

- (2) Following approval of the Demerger Resolution by the Shareholders at the General Meeting but prior to the approval of the Demerger Dividend by the esure Board, the Gocompare.com Group will drawdown debt of £75.0 million under the Term Loan Facility to pay a pre-Demerger cash dividend of approximately £65.3 million to the esure Group and to pay fees associated with the Demerger and Admission of approximately £9.7 million. The adjustment to the consolidated unaudited pro forma statement of net assets is presented as if the pre-Demerger cash dividend were made simultaneously with the Demerger rather than prior to it, therefore it is presented as an increase in cash in the esure Group.
- (3) esure Group is expected to incur fees of approximately £6.3 million in relation to the Demerger to be funded from the proceeds of the approximately £65.3 million pre-Demerger cash dividend.
- (4) Gocompare.com Group will separate from the esure Group by way of the Demerger. These adjustments remove the assets and liabilities of the Gocompare.com Group, and were sourced without material adjustment from the historical financial information of the Gocompare.com Group as at 30 June 2016 contained in Part IV (*Historical Financial Information on the Gocompare.com Group*).
- (5) This adjustment writes off the goodwill and intangible assets held on consolidation at the esure Group level relating to the Gocompare.com Group and removes centrally held consolidation adjustments as at 30 June 2016 relating to the intercompany trading activity between the esure Group and the Gocompare.com Group. These items have been sourced without material adjustment from the consolidation schedules of Gocompare.com Group as at 30 June 2016.
- (6) No account has been taken of any trading or results of the Group since 30 June 2016. However, prior to the Demerger, the Gocompare.com Group will pay a further dividend of approximately £8 million to the esure Group to extract excess cash retained in the Gocompare.com Group.

SECTION B: ACCOUNTANT'S REPORT ON THE UNAUDITED PRO FORMA FINANCIAL INFORMATION



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The Directors
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11 October 2016

Ladies and Gentlemen

esure Group plc

We report on the pro forma financial information (the '**Pro forma financial information**') set out in Part V of the circular dated 11 October 2016, which has been prepared on the basis described in the notes to such pro forma financial information, for illustrative purposes only, to provide information about how the Demerger might have affected the financial information presented on the basis of the accounting policies adopted by esure Group plc in preparing the financial statements for the six months ended 30 June 2016. This report is required by paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority and is given for the purpose of complying with that paragraph and for no other purpose.

Responsibilities

It is the responsibility of the directors of esure Group plc to prepare the Pro forma financial information in accordance with paragraph 13.3.3R of the Listing Rules of the Financial Conduct Authority.

It is our responsibility to form an opinion, as required by paragraph 7 of Annex II to the Prospectus Directive Regulation, as to the proper compilation of the Pro forma financial information and to report that opinion to you.

In providing this opinion we are not updating or refreshing any reports or opinions previously made by us on any financial information used in the compilation of the Pro forma financial information, nor do we accept responsibility for such reports or opinions beyond that owed to those to whom those reports or opinions were addressed by us at the dates of their issue.

Save for any responsibility which we may have to those persons to whom this report is expressly addressed and which we may have to the shareholders of esure Group plc as a result of the inclusion of this report in the circular, to the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with Listing Rule 13.4.1R(6), consenting to its inclusion in the circular.

Basis of opinion

We conducted our work in accordance with the Standards for Investment Reporting issued by the Auditing Practices Board in the United Kingdom. The work that we performed for the purpose of making this report, which involved no independent examination of any of the underlying financial information, consisted primarily of comparing the unadjusted financial information with the source documents, considering the evidence supporting the adjustments and discussing the Pro forma financial information with the directors of esure Group plc.

We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the Pro forma financial information has been properly compiled on the basis stated and that such basis is consistent with the accounting policies of esure Group plc.

Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in the United States of America or other jurisdictions and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices.

Opinion

In our opinion:

- the Pro forma financial information has been properly compiled on the basis stated; and
- such basis is consistent with the accounting policies of esure Group plc.

Yours faithfully



KPMG LLP

PART VI TAXATION

1) United Kingdom tax considerations

The following paragraphs are intended only as a general guide to current UK law and HMRC's current published practice, which are both subject to change at any time, possibly with retroactive effect. Furthermore, the following paragraphs are not exhaustive and relate only to certain limited aspects of the UK tax consequences of holding or disposing of esure Shares.

The paragraphs below are intended to apply only to Shareholders: (i) who are for UK tax purposes resident and, if individuals, domiciled in the UK; (ii) to whom split-year treatment does not apply; (iii) who are the absolute beneficial owners of their esure Shares and any dividends paid in respect of them; and (iv) who hold their esure Shares as investments (otherwise than through an individual savings account or a pension arrangement) and not as securities to be realised in the course of a trade.

The paragraphs below may not apply to certain Shareholders, such as dealers in securities, broker dealers, insurance companies and collective investment schemes, pension schemes, persons who are otherwise exempt from UK taxation and persons who have (or are deemed to have) acquired their esure Shares by virtue of an office or employment or persons who are treated as holding their esure Shares as carried interest. Such Shareholders may be subject to special rules.

The material set out in the paragraphs below does not constitute tax advice. Any person who is in any doubt as to their tax position or who is subject to tax in a jurisdiction other than the UK should consult an appropriate professional adviser.

The Gocompare.com Prospectus contains an explanation of certain UK tax consequences of holding, purchasing and disposing of Gocompare.com Shares.

(a) Demerger

Income

esure has received clearance under section 1091 of the Corporation Tax Act 2010 ("**CTA 2010**") confirming that the distribution of the entire issued share capital of Gocompare.com to the Shareholders will qualify as an "exempt distribution" within the meaning of section 1075 of the CTA 2010.

As a result, a Shareholder who is resident in the UK for UK tax purposes should not incur any liability to tax on income in respect of the receipt of their Gocompare.com Shares (and should not be entitled to any tax credit in respect of that receipt).

Chargeable gains

Shareholders who are resident in the UK for UK tax purposes should not be treated, by virtue of the receipt of Gocompare.com Shares pursuant to the Demerger, as making a disposal or part disposal of their esure Shares for the purposes of the taxation of chargeable gains.

The Gocompare.com Shares distributed to Shareholders pursuant to the Demerger should be treated as the same asset, and as having been acquired at the same time, as the esure Shares already held by Shareholders. The aggregate base cost of the esure Shares and Gocompare.com Shares immediately after the Demerger should be the same as the base cost of the esure Shares immediately before the Demerger. Such base cost should be apportioned between the esure Shares and the Gocompare.com Shares by reference to their respective market values on the first day on which the market values or prices are quoted or published for such shares.

(b) Stamp duty and stamp duty reserve tax

No liability to stamp duty or stamp duty reserve tax should be incurred by the Shareholders as a result of the distribution to them of the Gocompare.com Shares pursuant to the Demerger. This statement does not relate to persons such as dealers, intermediaries and persons connected with depository arrangements and clearance services to whom special rules apply.

2) United States tax considerations

The following discussion is a summary of certain US federal income tax consequences generally applicable to US Holders of the receipt of Gocompare.com Shares pursuant to the Demerger and to the ownership and disposition of Gocompare.com Shares so acquired. This discussion assumes that any US Holders hold or will hold their esure Shares or Gocompare.com Shares as capital assets for US federal income tax purposes (generally, property held for investment purposes). This discussion does not address all potentially relevant US federal income tax matters, and, unless otherwise specifically provided, it does not address any state, local, non-US, alternative minimum, estate, gift, net investment income tax or any other non-income tax consequences of holding or disposing of Gocompare.com Shares so acquired. This discussion is limited to US Holders that will not own, and will not be treated as owning for US federal income tax purposes, immediately after the Demerger, 5 per cent. or more (by vote or value) of esure Shares or Gocompare.com Shares.

This discussion is for general guidance only and does not address the consequences applicable to certain categories of holders subject to special treatment under the United States Internal Revenue Code of 1986, as amended (the “**US IR Code**”), including tax exempt organisations, pass-through entities, banks and other financial institutions, insurance companies, qualified retirement plans, individual retirement accounts or other tax-deferred accounts, persons that hold esure Shares or Gocompare.com Shares as part of a straddle, hedging transaction, conversion transaction, constructive sale, synthetic security or other integrated transactions, or other similar arrangements, persons that acquired esure Shares in connection with the exercise of employee stock options or otherwise as compensation for services, brokers or dealers in securities or foreign currencies, traders in securities electing to mark to market, regulated investment companies or real estate trusts, and US persons whose functional currency (as defined in the US IR Code) is not the US dollar.

This discussion is based on existing provisions of the US IR Code, its legislative history, existing final, temporary and proposed Treasury Regulations promulgated thereunder, administrative pronouncements or practice, judicial decisions and interpretations of the foregoing, all as of the date hereof. Future legislative, judicial or administrative modifications, revocations or interpretations, which may or may not be retroactive, may result in US federal income tax consequences significantly different from those discussed herein. This discussion is not binding on the Internal Revenue Service (the “**IRS**”). No ruling has been or will be sought or obtained from the IRS with respect to any of the US federal income tax consequences discussed herein. There can be no assurance that the IRS will not challenge any of the conclusions described herein and that a United States court will not sustain such challenge.

If a partnership (or other entity or arrangement treated as a partnership for US federal tax purposes) acquires Gocompare.com Shares, the tax treatment of a partner (or other owner) of such partnership will generally depend upon the status of the partner and the activities of the partnership. A US person that is an owner or partner of a pass-through entity that acquires Gocompare.com Shares is urged to consult its own tax adviser regarding the tax consequences of owning and disposing of Gocompare.com Shares.

This summary is of a general nature only and is not intended to be tax advice to any US Holder, and no representation with respect to the tax consequences to any particular investor is made. Holders are urged to consult their tax advisers with respect to the income tax considerations relevant to them, with regard to their particular circumstances.

2.1 Demerger

It is not entirely clear whether the Demerger Dividend will be treated as a tax-free spin-off under section 355 of the US IR Code. Generally, there will be no US federal income tax consequences for esure or Gocompare.com as a result of the Demerger Dividend, and esure currently believes that the Demerger Dividend will not qualify as a tax-free spin-off for US federal income tax purposes. Accordingly, the remainder of this discussion assumes the Demerger Dividend will be a taxable transaction to US Holders for US federal income tax purposes.

The amount a US Holder realises for US federal income tax purposes in the Demerger Dividend will be the US dollar fair market value of the Gocompare.com Shares received. esure will determine the fair market value of the Gocompare.com Shares a US Holder receives after the Demerger Dividend, based on a number of factors that will include, without limitation, the trading price of the Gocompare.com Shares

at or near the distribution date. After esure makes this determination (if required and within the time limit required by the US IR Code), esure will report to US Holders and to the IRS the fair market value of the Gocompare.com Shares distributed.

The gross amount a US Holder realises in the Demerger Dividend, to the extent paid out of esure's current or accumulated earnings and profits (as determined for US federal income tax purposes), will be subject to US federal income taxation as a taxable dividend. That dividend should generally be a qualified dividend for US federal income tax purposes and eligible for the preferential tax rates applicable to long-term capital gains, provided certain holding period and other conditions are satisfied. esure, however, does not maintain calculations of earnings and profits in accordance with US federal income tax principles. Accordingly, each US Holder should assume that the gross amount realised will constitute dividend income for US federal income tax purposes. The Demerger Dividend may cause a US Holder to have a built-in loss in their esure Shares.

The distribution of Gocompare.com Shares is taxable to a US Holder when the US Holder receives the distribution of Gocompare.com Shares actually or constructively. The dividend will not be eligible for the dividends-received deduction generally allowed to US corporations in respect of dividends received from other US corporations. The Demerger Dividend will be treated as taxable dividend income from sources outside the United States, and will, depending on a US Holder's circumstances, be either "passive" or "general" income for purposes of computing the foreign tax credit allowable to such US Holder. For US federal income tax purposes, a US Holder will acquire an initial tax basis in Gocompare.com Shares equal to the US dollar fair market value of the stock received by such US Holder as of the distribution date. A US Holder's holding period for Gocompare.com Shares will begin on the day after the distribution date.

There is no assurance that the IRS or the courts will agree that the amount received in the Demerger Dividend by a US Holder is the amount that esure determines, and it is possible that the IRS and the courts will ultimately determine that Shareholders, or some of them, received a larger amount for US federal income tax purposes than amounts that esure reports. If the IRS were to challenge the amount reportable by any Shareholder on the Shareholder's US federal income tax return, then the Shareholder would have to bear the expenses and effort of defending against or otherwise resolving the challenge.

The foregoing discussion of the US tax consequences of the Demerger for US Holders assumes that based on the nature of esure's insurance business esure is not and has not been a passive foreign investment company (a "PFIC"). If esure is or has been a PFIC in any year in which a US Holder held esure Shares, adverse consequences could result for such US Holder upon the receipt of Gocompare.com Shares. esure believes that it is not and has never been a PFIC.

2.2 Dividends

Similar to the taxation of the Demerger Dividend described above and subject to the PFIC rules described below, because esure does not expect Gocompare.com to maintain calculations of earnings and profits in accordance with US federal income tax principles, each US Holder should assume that any distribution with respect to Gocompare.com Shares will constitute dividend income for US federal income tax purposes.

The amount of the dividend distribution that a US Holder must include in income as a US Holder will be the US dollar value of the Pound Sterling payments made, determined at the GBP/USD spot rate on the date the dividend distribution is includible in such US Holder's income, regardless of whether the payment is in fact converted into US dollars. Generally, any gain or loss resulting from currency exchange fluctuations during the period from the date a US Holder includes the dividend payment in income to the date the US Holder converts the payment into US dollars will be treated as ordinary income or loss and will not be eligible for the special tax rate applicable to qualified dividend income.

Subject to applicable limitations and provided that as expected, (i) Gocompare.com is eligible for the benefits of the Convention Between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and on Capital Gains, signed 24 July 2001, as amended (the "**UK-US Tax Convention**"), and (ii) Gocompare.com is not classified as a PFIC in the tax year of distribution or in the preceding tax year, dividends paid by Gocompare.com to non-corporate US Holders, including individuals, generally would be treated as qualified dividends for

US federal income tax purposes and eligible for the preferential tax rates applicable to long-term capital gains, provided certain holding period and other conditions are satisfied. US Holders should assume that any amount of such distributions will not be eligible for the dividends-received deduction available to certain US corporate shareholders.

2.3 Sale, exchange or other taxable disposition

Subject to the PFIC rules discussed below, upon a sale, exchange or other taxable disposition of a Gocompare.com common share, a US Holder will generally recognise a capital gain or loss equal to the difference between the amount realised on such sale or exchange (or, if the amount realised is denominated in Pounds Sterling, its US dollar equivalent, determined by reference to the GBP/USD spot rate of exchange on the date of disposition) and the tax basis of such US Holder's Gocompare.com Share. Such gain or loss will be a long-term capital gain or loss if the Gocompare.com Share has been held for more than one year and will be short-term gain or loss if the holding period is equal to or less than one year. Such gain or loss will generally be considered US source gain or loss for US foreign tax credit purposes. Long-term capital gains of non-corporate taxpayers are eligible for preferential rates of taxation. For both corporate and non-corporate taxpayers, limitations apply to the deductibility of capital losses.

If a US Holder receives Pounds Sterling on the sale of Gocompare.com Shares, generally any gain or loss resulting from currency exchange fluctuations during the period from the date of the sale of such shares to the date the sales proceeds are converted into US dollars will be treated as ordinary income or loss that is US source and will not be eligible for the preferential tax rates applicable to long-term capital gains.

2.4 Passive foreign investment company

Special US federal income tax rules apply to US persons owning stock of a PFIC. A non-US corporation is classified as a PFIC if, for any taxable year, after taking into account the income and assets of the corporation and certain subsidiaries pursuant to applicable "look-through rules", either (i) 75 per cent. or more of its gross income constitutes "passive income", or (ii) 50 per cent. or more of the quarterly average value of its assets is attributable to assets which produce, or are held for the production of, passive income. For this purpose, "passive income" generally includes interest, dividends, rents, royalties, annuities, certain gains from the sale of stock and securities, and certain gains from commodities transactions.

esure does not expect Gocompare.com to be a PFIC for its current taxable year and does not anticipate that Gocompare.com will become a PFIC in the foreseeable future. However, the determination as to whether Gocompare.com is a PFIC for any taxable year is based on the application of complex US federal income tax rules, which are subject to differing interpretations. Whether Gocompare.com will be a PFIC for any tax year is a factual determination made on an annual basis and depends on the composition and value of Gocompare.com's assets and the amount and type of Gocompare.com's income over the course of each such tax year, as well as certain factors which are beyond the control of esure, including the market price of Gocompare.com Shares. As a result, PFIC status cannot be predicted with certainty as of the date of this circular. Because of the above described uncertainties, there can be no assurance that the IRS will not challenge the determination made by us concerning Gocompare.com's PFIC status or that Gocompare.com will not be a PFIC for any taxable year. U.S. Holders are urged to consult their own tax advisors regarding the application of PFIC rules to their investments in Gocompare.com Shares.

In any year in which Gocompare.com is classified as a PFIC, a US Holder will be required to file an annual report with the IRS containing such information as Treasury Regulations and/or other IRS guidance may require. A failure to satisfy such reporting requirements may result in penalties and an extension of the time period during which the IRS can assess a tax. US Holders should consult their own tax advisers regarding the requirements of filing such information returns under these rules, including the requirement to file an IRS Form 8621.

2.5 Information reporting and backup withholding

Information reporting might apply to the Demerger Dividend and any dividends paid in respect of Gocompare.com Shares and proceeds from the sale, exchange, or other disposition of such

Gocompare.com Shares within the United States. Backup withholding (at a rate of 28 per cent.) might apply to such payments made to a US Holder unless the US Holder furnishes its taxpayer identification number, certifies that such number is correct, certifies that such US Holder is not subject to backup withholding and otherwise complies with the applicable requirements of the backup withholding rules. Certain US Holders, including corporations, are generally not subject to backup withholding and information reporting requirements, if they properly demonstrate their eligibility for exemption. US persons who are required to establish their exempt status must generally provide IRS Form W-9 (Request for Taxpayer Identification Number and Certification). Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or credit against the US Holder's federal income tax liability, provided that the required information is furnished to the IRS in a timely manner.

2.6 Required disclosure with respect to foreign financial assets

Certain US Holders are required to report information relating to an interest in Gocompare.com Shares, subject to certain exceptions (including an exception for shares held in accounts maintained by certain financial institutions), by attaching a completed IRS Form 8938, Statement of Specified Foreign Financial Assets, with their tax return for each year in which they hold an interest in the shares.

US Holders are urged to consult their own tax advisers regarding information reporting requirements relating to their ownership of Gocompare.com Shares.

PART VII
ADDITIONAL INFORMATION

1. Responsibility statement from esure directors

The Directors, whose names are set out in section 3 of this Part VII below, and esure accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and esure (who have taken all reasonable care to ensure that such is the case), the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. Incorporation and registered office

The legal name of the company is esure Group plc. esure is domiciled in the United Kingdom and is registered as a public limited company in England and Wales. It was incorporated in England and Wales on 3 November 2009 as Yellow Buyer Limited with registered number 07064312. esure re-registered as a public limited company and changed its name to esure Group plc on 26 February 2013.

3. Directors of esure

As at the date of this document the directors of esure are:

<u>Name</u>	<u>Position</u>
Sir Peter Wood	Chairman
Shirley Garrod	Deputy Chairman and Senior Independent Director
Stuart Vann	Chief Executive Officer and Executive Director
Darren Ogden	Chief Finance Officer and Executive Director
María Dolores Dancausa	Non-Executive Director
Martin Pike	Non-Executive Director
Angela Seymour-Jackson	Non-Executive Director
Peter Ward	Non-Executive Director

4. Interests of Directors in esure

As at the Reference Date, the interests of the Directors and their families and the interests of persons connected with them, within the meaning of Part 22 of the Companies Act, in the share capital of esure are as set out in the following table.

esure Shares

<u>Director</u>	<u>No. of esure Shares</u>	<u>%</u>
Sir Peter Wood (<i>Chairman</i>)	128,609,655	30.85
Shirley Garrod (<i>Deputy Chairman and Non-Executive Director</i>)	—	—
Stuart Vann (<i>Chief Executive Officer</i>)	2,095,042	0.50
Darren Ogden (<i>Chief Finance Officer</i>)	1,210,498	0.29
María Dolores Dancausa (<i>Non-Executive Director</i>)	43,725	0.01
Martin Pike (<i>Non-Executive Director</i>)	40,000	0.009
Angela Seymour-Jackson (<i>Non-Executive Director</i>)	—	—
Peter Ward (<i>Non-Executive Director</i>)	236,187	0.056

Options over esure Shares

As at the Reference Date, details of the options over esure Shares granted to the Directors are as follows:

Name	Interest in options over ordinary shares	Grant date	Exercise price	Exercise period	Vesting Date
Stuart Vann . .	338,926	16 April 2014	n/a	n/a	1 November 2016
Stuart Vann . .	378,481	25 March 2015	n/a	n/a	25 March 2018
Stuart Vann . .	9,414	9 September 2015	191.2 pence	1 November 2018 to 30 April 2019	1 November 2018
Stuart Vann . .	571,807	14 June 2016	n/a	n/a	14 June 2019
Darren Ogden .	4,639	6 September 2013	194 pence	1 November 2016 to 30 April 2017	1 November 2016
Darren Ogden .	189,594	16 April 2014	n/a	n/a	1 November 2016
Darren Ogden .	217,949	25 March 2015	n/a	n/a	25 March 2018
Darren Ogden .	4,707	9 September 2015	191.2 pence	1 November 2018 to 30 April 2019	1 November 2018
Darren Ogden .	322,970	14 June 2016	n/a	n/a	14 June 2019

5. Directors' service contracts and letters of appointment

The Directors' current service contracts and letters of appointment are summarised below. There are no other service contracts between the Directors and esure or any of its subsidiaries and, save as disclosed herein, no other service contracts have been entered into nor have existing service contracts been amended during the period of six months prior to the date of this document.

Name	Date appointed	Contract date	Notice period	Basic salary/ current fee (£)
Sir Peter Wood	15 February 2000	7 March 2013	12 months	730,000
Shirley Garrod	31 July 2013	23 July 2013	3 months	138,000
Stuart Vann	29 September 2011	7 March 2013	12 months	524,500
Darren Ogden	5 November 2012	7 March 2013	12 months	355,500
María Dolores Dancausa	9 December 2013	9 December 2013	3 months	63,000
Martin Pike	12 August 2015	12 August 2015	3 months	85,000
Angela Seymour-Jackson	13 October 2015	13 October 2015	3 months	70,000
Peter Ward	1 January 2001	7 March 2013	3 months	88,000

6. Directors of Gocompare.com

As at the date of this document the directors of Gocompare.com are:

Name	Position
Sir Peter Wood	Chairman
Angela Seymour-Jackson	Deputy Chairman and Senior Independent Director
Matthew Crummack	Chief Executive Officer and Executive Director
Nick Wrighton	Chief Financial Officer and Executive Director
Zillah Byng-Thorne	Non-executive director
Adrian Webb	Non-executive director

7. Major Shareholders of esure

As at the Reference Date, and so far as is known to the Company by virtue of the notifications made to esure Group plc pursuant to the Companies Act, MAR and/or the Disclosure Guidance and Transparency

Rules, the following, directly or indirectly, are interested in 3 per cent. or more of the issued share capital of esure Group plc:

<u>Shareholder</u>	<u>Number of esure Group plc shares</u>	<u>Percentage holding</u>
Sir Peter Wood	128,609,655	30.85%
Toscafund Asset Management LLP	54,459,930	13.06%
Fidelity International Limited	40,032,761	9.60%
Invesco Asset Management	19,429,782	4.66%
Jupiter Asset Management Limited	16,762,595	4.02%
J O Hambro Capital Management	16,194,020	3.88%

Following the Demerger, no Shareholder has or will have different voting rights from any other Shareholder in respect of any esure Shares held by them.

8. Related party transactions

Transactions with Shareholders

The following transactions took place with Shareholders and entities under common control since 1 January 2016 (being the last date as at which) such transactions were published and provided to Shareholders):

- One of the Directors has a beneficial part ownership interest in a restaurant which has been used by the esure Group for corporate events and entertaining purposes.
- One of the Directors has a beneficial part ownership interest in a company which leased office space from the Group.

	<u>1 January 2016 to the Reference Date</u>
	(£m)
Value of income/ (expense) for the period:	
Lease of office space	0.2
Restaurants	(0.1)
Total income for the period	<u>0.1</u>
Amount receivable/ (payable) at the period end:	
Lease of office space	0.1
Restaurants	—
Total amount receivable at the end of the period	<u>0.1</u>

9. Summary of material litigation for the Retained Group

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which esure is aware) which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Retained Group or its financial position or profitability.

10. Summary of material litigation for the Gocompare.com Group

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which esure is aware) which may have, or have had during the 12 months preceding the date of this document, a significant effect on the Gocompare.com Group or its financial position or profitability.

11. Significant change for the esure Group

There has been no significant change in the financial or trading position of the esure Group since 30 June 2016, being the date to which the latest financial information was published for the esure Group.

12. Significant change for the Gocompare.com Group

There has been no significant change in the financial or trading position of the Gocompare.com Group since 30 June 2016, being the date to which interim financial information relating to the Gocompare.com Group was last published.

13. Material contracts of the Retained Group

Save as disclosed below, there are no contracts (other than contracts entered into in the ordinary course of business) to which esure or any member of the esure Group prior to the Demerger is a party which: (i) are, or may be, material to the esure Group and which have been entered into in the two years immediately preceding the date of this document; or (ii) contain obligations or entitlements which are, or may be, material to the esure Group as at the date of this document.

13.1 Demerger Agreement

The Demerger Agreement was entered into on 11 October 2016 between esure and Gocompare.com to effect the Demerger and to govern the post-Demerger obligations of the esure Group and the Gocompare.com Group in respect of, among other things, taxes and their respective indemnity obligations. Certain aspects of the Demerger Agreement are conditional upon the passing of the Demerger Resolution, the approval by the esure Board of the Demerger Dividend, the FCA having acknowledged (and such acknowledgement not having been withdrawn) that the application for Admission has been approved and, after satisfaction of any conditions to which such approval is expressed to be subject, will become effective as soon as a dealing notice has been issued, the London Stock Exchange having acknowledged (and such acknowledgement not having been withdrawn) that Gocompare.com Shares will be admitted to trading on the main market and the esure Sponsor's Agreement and the Gocompare.com Sponsor's Agreement not having terminated in accordance with their terms.

The Demerger Agreement contains customary demerger mutual indemnities under which Gocompare.com indemnifies the esure Group against losses, costs, damages and expenses of any kind suffered or arising directly or indirectly from or in consequence of the Gocompare.com Business prior to the Demerger and esure indemnifies the Gocompare.com Group against losses, costs, damages and expenses of any kind suffered or arising directly or indirectly from or in consequence of the business carried on by the esure Group other than the Gocompare.com Business prior to the Demerger. Claims made under these mutual cross indemnities by the indemnified party are, subject to the right of the indemnifying party to defend any such claim, required to be paid by the indemnifying party. These mutual cross indemnities are unlimited in terms of amount and duration.

The Demerger Agreement sets out how guarantees, indemnities or other assurances given by esure Group companies for the benefit of Gocompare.com Group companies (or vice versa) will be dealt with following the Demerger. In terms of the Demerger Agreement, the beneficiary of such a guarantee must generally seek to obtain the guarantor's release from the guarantor's obligations thereunder and, pending release, indemnify the guarantor against all liabilities and costs arising under or by reason of the guarantee and ensure that the guarantor's exposure under the guarantee is not increased. Both the esure Group and the Gocompare.com Group will be permitted access to each other's records for a period of 10 years following the Demerger. Both groups have agreed to keep certain information on the other group confidential, subject to certain customary exemptions.

The Demerger Agreement will terminate if the conditions set out above have not been satisfied by 8:00 a.m. on 31 December 2016 (or such other time and date as the parties may agree). esure is entitled to terminate the Demerger Agreement at any time prior to Admission.

The esure Group will continue to provide certain limited company secretarial, technical accounting and tax consultancy services on an as-requested basis to the Gocompare.com Group for a period expected to end on 31 May 2017 under the terms of the Demerger Agreement.

13.2 esure Relationship Agreement

esure and Sir Peter Wood entered into the esure Relationship Agreement on 8 March 2013 which was amended and restated on 29 October 2014. The principal purpose of the esure Relationship Agreement is to ensure that esure is capable at all times of carrying on its business independently of Sir Peter Wood and any of his Associates (as defined in Appendix I to the Listing Rules) (together the “**esure Controlling Shareholders**”).

The esure Relationship Agreement will continue until the earlier of: (i) esure Shares ceasing to be admitted to the Official List and to trading on the London Stock Exchange; or (ii) the esure Controlling Shareholders ceasing to own, when taken together, 15 per cent. or more of the esure Shares or the voting rights attaching to the esure Shares unless at the time the esure Controlling Shareholders shall cease to own, when taken together, 15 per cent. or more of the esure Shares or the voting rights attaching to the esure Shares, Sir Peter Wood remains the Chairman of esure, in which event the esure Relationship Agreement shall terminate six months after Sir Peter Wood ceases to be the Chairman of esure.

Sir Peter Wood has undertaken, until the esure Relationship Agreement terminates, in respect of himself and his Associates (if any):

- that transactions and arrangements between esure and any one of Sir Peter Wood and/or any of Sir Peter Wood’s Associates (if any) will be conducted at arm’s length and on normal commercial terms;
- that neither Sir Peter Wood nor any of his Associates (if any) will take any action that would have the effect of preventing esure from complying with its obligations under the Listing Rules; and
- that neither Sir Peter Wood nor any of his Associates (if any) will propose or procure the proposal of a shareholder resolution which is intended to circumvent the proper application of the Listing Rules.

esure has undertaken that, for so long as Sir Peter Wood and any concert party (within the meaning of the Takeover Code) of Sir Peter Wood have (in aggregate) an interest, either direct or indirect, in 30 per cent. or more of the aggregate voting rights attaching to the esure Shares, and subject to the prior consent of the Panel being obtained (if necessary) by esure and/or Sir Peter Wood: (a) at each annual general meeting of esure, esure shall propose to the independent Shareholders (being the Shareholders other than Sir Peter Wood and any concert party of Sir Peter Wood) by poll a resolution to waive the obligation by Sir Peter Wood to make a general offer to the independent Shareholders for their esure Shares in accordance with Rule 9 of the Takeover Code that might otherwise arise if esure were to purchase its own shares in the future; and (b) in the event esure proposes to issue new esure Shares and the participation by Sir Peter Wood in such subscription would or might reasonably compel Sir Peter Wood to make a general offer to the independent Shareholders for their esure Shares in accordance with Rule 9 of the Takeover Code, esure shall convene a general meeting of its Shareholders at which esure shall propose to the independent Shareholders by poll a resolution to waive any obligation by Sir Peter Wood or his concert party to make a general offer to the independent Shareholders for their esure Shares in accordance with Rule 9 of the Takeover Code as a result of Sir Peter Wood taking up his entitlement to acquire such new shares.

The esure Relationship Agreement entitles Sir Peter Wood to nominate one person to be a director of the esure Board for so long as together with his Associates, when taken together, hold at least 15 per cent. of the esure Shares or voting rights exercisable at a general meeting of esure.

Notwithstanding Sir Peter Wood’s right to nominate one person to be a director of the esure Board (as described in the paragraph above), the esure Board believes that, together with the provisions of the Listing Rules relating to ‘related party transactions’ and the provisions of the Companies Act relating to conflicts of interest and Sir Peter Wood’s duties as a director of esure, the terms of the esure Relationship

Agreement will enable esure to carry on its business independently from Sir Peter Wood and his Associates (if any), and ensure that all transactions and relationships between esure and Sir Peter Wood and his Associates (if any) are, and will be, at arm's length and on, in esure's reasonable opinion, normal commercial terms. In addition, until the esure Relationship Agreement terminates, Sir Peter Wood has undertaken that neither he nor any of his Associates (if any) shall operate, establish, own or acquire an undertaking which engages in any business that competes with the esure Group. This non-compete undertaking is limited to the UK but shall not prohibit, after Admission, Sir Peter Wood or any of his Associates (if any) being entitled to acquire up to (but not more than) 5 per cent. in aggregate of the shares of any class of any company engaged in business that would constitute a competing business provided: (a) the shares of such company are listed on a recognised stock exchange; and (b) Sir Peter Wood shall not be a consultant to or director of such company.

Furthermore, until the esure Relationship Agreement terminates, Sir Peter Wood shall not and will procure that none of his Associates (if any) shall, solicit for employment of any of the Executive Directors, without the prior approval of the majority of the independent Directors on the esure Board.

13.3 esure Sponsor's Agreement

esure and Deutsche Bank entered into the esure Sponsor's Agreement on 11 October 2016. Pursuant to the terms of the esure Sponsor's Agreement:

- esure appoints Deutsche Bank as sponsor in connection with the Circular, and Deutsche Bank accepts such appointment;
- Deutsche Bank has been granted all powers, authorities and discretions which are necessary for or incidental to the performance of its responsibilities under the Listing Rules;
- esure has agreed to deliver certain documents to Deutsche Bank relating to the Circular and Deutsche Bank's responsibilities under the Listing Rules;
- esure has given customary representations, warranties, undertakings and indemnities to Deutsche Bank; and
- Deutsche Bank has the right to terminate the esure Sponsor's Agreement in certain circumstances prior to Admission. These circumstances include: (i) the Circular has become or is discovered to be untrue, inaccurate or misleading in a manner which is material in the context of the Demerger; and (ii) the breach by esure of any of the warranties or undertakings contained in the esure Sponsor's Agreement, where the effect of such breach, in the opinion of Deutsche Bank (acting in good faith) is material in the context of the Demerger.

14. Material contracts of the Gocompare.com Group

Save as disclosed below, there are no contracts (other than contracts entered into in the ordinary course of business) to which Gocompare.com or any member of the Gocompare.com Group is a party which: (i) are, or may be, material to the Gocompare.com Group and which have been entered into in the two years immediately preceding the date of this document; or (ii) contain obligations or entitlements which are, or may be, material to the Gocompare.com Group as at the date of this document.

14.1 Demerger Agreement

Please see the summary of the Demerger Agreement above in section 13.1 of this Part VII.

14.2 Gocompare.com Relationship Agreement

Gocompare.com and Sir Peter Wood entered into the Gocompare.com Relationship Agreement on 11 October 2016, conditional only on Admission. The principal purpose of the Gocompare.com Relationship Agreement is to ensure that Gocompare.com is capable at all times of carrying on its business independently of Sir Peter Wood and any of his Associates (as defined in Appendix I to the Listing Rules) (together the "**Gocompare.com Controlling Shareholders**").

The Gocompare.com Relationship Agreement will take effect on Admission and continue until the earlier of: (i) Gocompare.com Shares ceasing to be admitted to the Official List and to trading on the London

Stock Exchange; or (ii) the Gocompare.com Controlling Shareholders ceasing to own, when taken together, 15 per cent. or more of the Gocompare.com Shares or the voting rights attaching to the Gocompare.com Shares, unless, at the time the Gocompare.com Controlling Shareholders shall cease to own, when taken together, 15 per cent. or more of the Gocompare.com Shares or the voting rights attaching to the Gocompare.com Shares, Sir Peter Wood remains the Chairman of Gocompare.com, in which event, the Gocompare.com Relationship Agreement shall terminate six months after Sir Peter Wood ceases to be the Chairman of Gocompare.com.

Sir Peter Wood has undertaken, until the Gocompare.com Relationship Agreement terminates, in respect of himself and his Associates (if any):

- that transactions and arrangements between Gocompare.com and any one of Sir Peter Wood and/or any of Sir Peter Wood's Associates (if any) will be conducted at arm's length and on normal commercial terms;
- that neither Sir Peter Wood nor any of his Associates (if any) will take any action that would have the effect of preventing Gocompare.com from complying with its obligations under the Listing Rules; and
- that neither Sir Peter Wood nor any of his Associates (if any) will propose or procure the proposal of a shareholder resolution which is intended to circumvent the proper application of the Listing Rules.

Gocompare.com has undertaken that, for so long as Sir Peter Wood and any concert party (within the meaning of the Takeover Code) of Sir Peter Wood have (in aggregate) an interest, either direct or indirect, in 30 per cent. or more of the aggregate voting rights attaching to the Gocompare.com Shares, and subject to the prior consent of the Panel being obtained (if necessary) by Gocompare.com and/or Sir Peter Wood: (a) at each annual general meeting of Gocompare.com, Gocompare.com shall propose to the independent Shareholders (being the Shareholders other than Sir Peter Wood and any concert party of Sir Peter Wood) by poll a resolution to waive the obligation by Sir Peter Wood to make a general offer to the independent Shareholders for their Gocompare.com Shares in accordance with Rule 9 of the Takeover Code that might otherwise arise if Gocompare.com were to purchase its own shares in the future; and (b) in the event Gocompare.com proposes to issue new Gocompare.com Shares and the participation by Sir Peter Wood in such subscription would or might reasonably compel Sir Peter Wood to make a general offer to the independent Shareholders for their Gocompare.com Shares in accordance with Rule 9 of the Takeover Code, Gocompare.com shall convene a general meeting of its shareholders at which Gocompare.com shall propose to the independent Shareholders by poll a resolution to waive any obligation by Sir Peter Wood or his concert party to make a general offer to the independent Shareholders for their Gocompare.com Shares in accordance with Rule 9 of the Takeover Code as a result of Sir Peter Wood taking up his entitlement to acquire such new shares.

The Gocompare.com Relationship Agreement entitles Sir Peter Wood to nominate one person to be a director of the Gocompare.com Board for so long as he or his Associates, when taken together, hold at least 15 per cent. of the Gocompare.com Shares or voting rights exercisable at a general meeting of Gocompare.com.

Notwithstanding Sir Peter Wood's right to nominate one person to be a director of the Gocompare.com Board (as described in the paragraph above), the Gocompare.com Board believes that, together with the provisions of the Listing Rules relating to 'related party transactions' and the provisions of the Companies Act relating to conflicts of interest and Sir Peter Wood's duties as a director of Gocompare.com, the terms of the Gocompare.com Relationship Agreement will enable Gocompare.com to carry on its business independently from Sir Peter Wood and any of his Associates, and ensure that all transactions and relationships between Gocompare.com and Sir Peter Wood and his Associates are, and will be, at arm's length and on, in Gocompare.com's reasonable opinion, normal commercial terms. In addition, until the Gocompare.com Relationship Agreement terminates, Sir Peter Wood has undertaken that neither he nor any of his Associates (if any) shall operate, establish, own or acquire an undertaking which engages in any business that competes with the Gocompare.com Group. This non-compete undertaking is limited to the UK but shall not prohibit, after Admission, Sir Peter Wood or any of his Associates (if any) being entitled to acquire up to (but not more than) 5 per cent. in aggregate of the shares of any class of any company engaged in business that would constitute a competing business provided: (a) the shares of such company are listed on a recognised stock exchange; and (b) Sir Peter Wood shall not be a consultant to or director of such company.

Furthermore, until the Gocompare.com Relationship Agreement terminates, Sir Peter Wood shall not and will procure that none of his Associates (if any) shall, solicit for employment of any of the Gocompare.com executive directors, without the prior approval of the majority of the independent Gocompare.com Directors on the Gocompare.com Board.

14.3 Demerger Facilities Agreement

On 13 September 2016, Gocompare.com Finance Limited as borrower and Gocompare.com, Gocompare.com Finance Limited and Gocompare.com Limited as guarantors entered into a new facilities agreement, provided by a syndicate of four banks coordinated by Deutsche Bank AG, London Branch with Lloyds Bank plc, The Governor and Company of the Bank of Ireland, Santander UK plc and AIB Group (U.K.) P.L.C. as Mandated Lead Arrangers, and Santander UK plc as Facility Agent (the “**Demerger Facilities Agreement**”). The Demerger Facilities Agreement contains two facilities, a £75 million term loan facility (the “**Term Loan Facility**”) and a £10 million working capital facility (the “**Working Capital Facility**”).

The Demerger Facilities Agreement is subject to a number of conditions precedent which, as at the date of this document, have all been satisfied or are otherwise within the control of the Gocompare.com Group except for the approval by Shareholders of the Demerger Resolution at the General Meeting.

The Term Loan Facility was entered into on 13 September 2016 and has a term of five years from the date of drawdown, to be repaid in annual instalments of £10 million and the final repayment of the balance due upon expiry of its term. The Term Loan Facility is to be used to pay a cash dividend by Gocompare.com to esure Services Limited prior to the Demerger and to cover certain expenses of the Demerger and Admission. It is not to be used for general corporate purposes.

The Working Capital Facility also has a term of five years and is available to be used for Gocompare.com’s general corporate purposes.

As of Admission, interest in respect of drawdowns under the Demerger Facilities Agreement will be payable at a rate of LIBOR plus a margin of 2.40 per cent. per annum until 31 December 2016, which may ratchet either upwards or downwards based upon the outcome of a financial covenant test (which tests the ratio of consolidated total net borrowings to adjusted consolidated EBITDA) by 25 basis points for each 0.5x change in leverage (or by 35 basis points where the leverage ratio is greater than or equal to 3.0:1), with a minimum floor of 1.40 per cent. per annum when the ratio is less than 1.0:1, and a maximum of 2.75 per cent. per annum when the ratio is greater than or equal to 3.0:1.

Further to the above, the Demerger Facilities Agreement has the following financial covenants, which will be tested semi-annually:

- *Leverage*: the Gocompare.com Group’s consolidated total net borrowings must not, at the end of each measurement period, exceed 3.5 times adjusted consolidated EBITDA for that measurement period during the first year after the date of the credit agreement and ending on 31 December 2017, 3.0 times from 31 December 2017 to 31 December 2018 and 2.5 times at any time thereafter.
- *Interest cover*: the ratio of consolidated EBIT to consolidated net finance costs must not be less than 4 to 1 at the end of each measurement period.

In addition, the Demerger Facilities Agreement contains customary covenants (including those related to asset disposals, acquisitions, financial indebtedness and a negative pledge) subject to certain agreed exceptions and monetary baskets and, separately, a mandatory repayment obligation, which, subject to waiver by the lenders, would require Gocompare.com Finance Limited to repay any drawn funds if Admission does not occur within 10 business days of the date of their drawdown. It is expected that Gocompare.com Finance Limited will drawdown the Term Loan Facility in full on the date of the General Meeting or the following business day if drawdown is not possible on the date of the General Meeting.

The Demerger Facilities Agreement also contains a change of control provision under which, upon the occurrence of a change of control of Gocompare.com, the lenders may refuse to fund utilisation requests under the Demerger Facilities Agreement, cancel their commitments and require repayment of all outstanding amounts.

The Admission will not constitute a change of control under the Demerger Facilities Agreement.

14.4 Gocompare.com Sponsor's Agreement

Gocompare.com and Deutsche Bank entered into the Gocompare.com Sponsor's Agreement on 11 October 2016. Pursuant to the terms of the Gocompare.com Sponsor's Agreement:

- Gocompare.com appoints Deutsche Bank as Sponsor in connection with the application for Admission, and Deutsche Bank accepts such appointment;
- Deutsche Bank has been granted all powers, authorities and discretions which are necessary for or incidental to the performance of its responsibilities under the Listing Rules and the Prospectus Rules;
- Gocompare.com has agreed to deliver certain documents to Deutsche Bank relating to the application for Admission and Deutsche Bank's responsibilities under the Listing Rules and Prospectus Rules;
- Gocompare.com has given customary representations, warranties, undertakings and indemnities to Deutsche Bank; and
- Deutsche Bank has the right to terminate the Gocompare.com Sponsor's Agreement in certain circumstances prior to Admission. These circumstances include: (i) the Gocompare.com Prospectus has become or is discovered to be untrue, inaccurate or misleading in a manner which is material in the context of the Demerger; (ii) the breach by Gocompare.com of any of the warranties or undertakings contained in the Gocompare.com Sponsor's Agreement, where the effect of such breach, in the opinion of Deutsche Bank (acting in good faith) is material in the context of the Demerger; and (iii) the application for Admission is refused by the FCA or the London Stock Exchange or where Admission will not be granted.

15. Consents

KPMG is a member firm of the Institute of Chartered Accountants in England and Wales and has given, and not withdrawn, its written consent to the inclusion of its report on the unaudited pro forma statement of net assets of the Retained Group set out in Section B of Part V (Unaudited Pro Forma Financial Information) of this document in the form and context in which it appears.

Deutsche Bank has given, and not withdrawn, its written consent to the issue of this document with references to its name being included in the form and context in which it appears.

16. Working capital statement for the Retained Group

esure is of the opinion that the Retained Group independent of the Gocompare.com Group has sufficient working capital for its present requirements, that is, for at least the next 12 months from the date of publication of this document.

17. Gocompare.com Group 2016 Profit Forecast

The Directors confirm that they expect 20 to 30 per cent. growth in operating profit for the Gocompare.com Group for the financial year ending 31 December 2016 compared to the financial year ended 31 December 2015 (the "**Gocompare.com Group 2016 Profit Forecast**").

Basis of preparation

The Gocompare.com Group 2016 Profit Forecast for the financial year ended 31 December 2016 has been properly compiled and prepared consistently with the accounting policies adopted by the esure Group in preparing its latest published consolidated audited accounts. The Gocompare.com Group 2016 Profit Forecast is based on:

- the financial results of the Gocompare.com Group for the six month period ended 30 June 2016;
- the financial results for the Gocompare.com Group for the month ended 31 July 2016 and the month ended 31 August 2016; and
- the Directors' forecast for the financial year ending 31 December 2016.

Principal assumptions

The principal assumptions upon which the Gocompare.com Group 2016 Profit Forecast is based are:

- a) factors exclusively outside the influence or control of the Directors:
- there will be no material adverse change in economic conditions in the markets in which the Gocompare.com Group operates and there will be no adverse impact on the business following the recent UK vote to exit the EU;
 - any changes in relevant legislation, governmental policy or other regulatory requirements will not materially affect the results of the Gocompare.com Group;
 - there will be no significant changes in competitor activity, no new entrants into the UK price and product comparison market and no significant changes in the way in which search engines (primarily Google and Bing) display or charge for listings; and
 - there will be no interruptions in business arising from circumstances outside the Gocompare.com Group's control which would adversely affect the Gocompare.com Group, its customers or suppliers.
- b) factors within the influence or control of the Directors:
- there will be no acquisitions or disposals by the Gocompare.com Group which will have a material impact on the results.

18. Gocompare.com Group 2019 EBITDA Guidance

The Directors have previously noted that they expect the Gocompare.com Group to achieve at least £50 million of EBITDA by 2019 (the "**Gocompare.com Group 2019 EBITDA Guidance**").

The Directors consider the Gocompare.com Group 2019 EBITDA Guidance to no longer be valid.

The Directors confirm that the Gocompare.com Group 2019 EBITDA Guidance was originally provided in the context of Gocompare.com being a subsidiary of the wider Group and reflects base case assumptions and expectations for the subsidiary to 2019. The Gocompare.com Group 2019 EBITDA Guidance was not a profit forecast for the Group in the context of other material operating activities of the group including motor and home underwriting, sale of additional services in relation to the insurance offering and proceeds from investment activities.

However, in the context of the Demerger and of Gocompare.com as a standalone entity, the Gocompare.com Group 2019 EBITDA Guidance is a profit forecast for the Gocompare.com Group and, as a result, both the Gocompare.com Prospectus and this Circular are required to include a statement on the Gocompare.com Group 2019 EBITDA Guidance and an explanation of why such forecast is no longer valid if that is the case. In this context, the Directors have considered it appropriate to apply a range of downside scenarios to the guidance which they did not previously consider appropriate given the lesser materiality of the subsidiary within the overall esure Group result.

The Directors believe that the actual results of Gocompare.com for the period until the financial year ending 31 December 2019 may differ from the Gocompare.com Group 2019 EBITDA Guidance, having considered the compounding and aggregating effect of the potential impact of macro-economic and industry downside scenarios and a number of significant downside scenarios, including:

- forecast revenues from non-insurance product lines not materialising either in part or at all;
- a material reduction in the effectiveness of advertising campaigns, leading to increased costs relating to media and reduced revenues;
- a significant change in search engine listings by search engine providers for paid and/or natural search results, leading to higher online media spend for paid search results and reduced revenues;
- a material change to the manner in which insurance companies distribute motor and home insurance products in the UK such that consumers no longer find price comparison websites an efficient way in which to purchase insurance policies; and

- a material change in competitive dynamics within the price comparison website industry such as entry of a new participant or significant changes in competitor strategy which could impact customer interactions, conversion dynamics and /or income per sale for Gocompare.com.

Consequently, the Directors consider the Gocompare.com Group 2019 EBITDA Guidance to no longer be valid.

The Directors do not regard reassessment of the Gocompare.com Group 2019 EBITDA Guidance to be necessary in such a scenario to allow Shareholders to make a properly informed decision with respect to the Demerger Resolution because guidance or other information on the future performance of Gocompare.com is not necessary to allow Shareholders to make a properly informed decision on the Demerger Resolution, the effect of which is merely to separate the Group into two parts, both of which will be owned by exactly the same persons at the time of the Demerger.

Notwithstanding the foregoing, the Directors remain confident of the prospects for the Gocompare.com Business and have provided guidance for the financial year ending 31 December 2016 in Part VII (*Additional Information*).

19. Documents available for inspection

Copies of the following documents may be inspected at the registered office of esure at The Observatory, Castlefield Road, Reigate, Surrey RH2 0SG and at the offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY during normal business hours on any weekday (Saturdays, Sundays and public holidays excepted) for a period of 28 days from the date of publication of this document:

- the Articles;
- the Historical Financial Information as set out in Part IV (*Historical Financial Information on the Gocompare.com Group*);
- the unaudited pro forma financial information and the report thereon by KPMG LLP, as set out in Part V (*Unaudited Pro Forma Financial Information for the Retained Group*);
- the consent letters referred to in section 15 of this Part VII;
- the Demerger Agreement;
- the rules of the proposed RAP; and
- this document.

DEFINITIONS

The definitions set out below apply throughout this document, unless the context requires otherwise.

“Admission”	the introduction of Gocompare.com Shares to the premium listing segment of the Official List and the admission of such shares to trading on the London Stock Exchange’s main market for listed securities (in accordance with the current edition of the Admission and Disclosure Standards produced by the London Stock Exchange);
“Articles”	the articles of association of esure in force as of the date of this document;
“Associate”	has the meaning given to it in Appendix I to the Listing Rules;
“certificated” or “in certificated form”	refers to a share or other security which is not in uncertificated form (that is, not in CREST);
“Circular”	this document;
“CMA”	the Competition and Markets Authority;
“Companies Act”	the Companies Act 2006 of England and Wales, as amended, supplemented or repealed from time to time;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities in accordance with the CREST Regulations operated by Euroclear UK & Ireland Limited;
“CREST Manual”	the manual, as amended from time to time, produced by Euroclear UK & Ireland Limited describing the CREST system, and supplied by Euroclear UK & Ireland Limited to users and participants thereof;
“Demerger”	the proposed demerger of the Gocompare.com Group from the esure Group, to be implemented through the Demerger Dividend;
“Demerger Agreement”	the agreement relating to the demerger of the Gocompare.com Group from the esure Group dated 11 October 2016;
“Demerger Dividend”	the interim in-specie distribution of Gocompare.com Shares by esure to Shareholders;
“Demerger Facilities Agreement”	means the loan facilities agreement comprising the Term Loan Facility and the Working Capital Facility;
“Demerger Resolution”	the ordinary resolution numbered 1 set out in the Notice of Meeting;
“Deutsche Bank”	Deutsche Bank AG, acting through its London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB;
“Directors”	the members of the esure Board whose names are set out in section 3 of Part VII (<i>Additional Information</i>);
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA (as set out in the FCA’s Handbook of Rules and Guidance), as amended;
“esure”	esure Group plc, a public limited company incorporated in England and Wales with registered number 7064312 whose registered office is The Observatory, Castlefield Road, Reigate, Surrey RH2 0SG, United Kingdom;

“esure Board”	the board of directors of esure whose members are set out in section 3 of Part VII (Additional Information);
“esure Group”	in respect of any time prior to completion of the Demerger, esure and its subsidiaries and subsidiary undertakings including those companies which form part of the Gocompare.com Group; and in respect of any period following completion of the Demerger, esure and its subsidiaries and subsidiary undertakings excluding those companies which form part of the Gocompare.com Group;
“esure Controlling Shareholders”	has the meaning given to it in section 14.2 of Part VII (Additional Information);
“esure Relationship Agreement”	the relationship agreement between esure and Sir Peter Wood entered into on 8 March 2013, which was amended and restated on 29 October 2014;
“esure Services Limited”	esure Services Limited, a private limited company incorporated in England and Wales with registered number 02135610 whose registered office is The Observatory, Castlefield Road, Reigate, Surrey RH2 0SG, United Kingdom;
“esure Share Register”	the register of members of esure;
“esure Shares”	the fully paid ordinary shares in the capital of esure;
“esure Sponsor’s Agreement”	the Sponsor’s Agreement between esure and the Sponsor entered into on 11 October 2016
“Executive Director”	the executive Directors of esure, who are referred to as such and whose details are set out in section 3 of Part VII (<i>Additional Information</i>);
“EU”	the European Union;
“FCA”	the Financial Conduct Authority of the United Kingdom;
“Form of Proxy”	the form of proxy for use at the General Meeting which accompanies this document;
“FSMA”	the Financial Services and Markets Act 2000 of the United Kingdom, as amended;
“Gocompare.com”	Gocompare.com Group plc, a public limited company incorporated in England and Wales with registered number 6062003 whose registered office is Imperial House, Imperial Way, Newport, Gwent NP10 8UH, United Kingdom;
“Gocompare.com Articles”	the articles of association of Gocompare.com which will be in force as at Admission;
“Gocompare.com Board”	the board of directors of Gocompare.com whose members are set out in section 6 of Part VII (<i>Additional Information</i>);
“Gocompare.com Business”	the business conducted by the Gocompare.com Group, as described in this document and, where applicable, any future operations in which the Gocompare.com Group will have an interest;
“Gocompare.com Controlling Shareholders”	has the meaning given to it in section 14.2 of Part VII (<i>Additional Information</i>);
“Gocompare.com Limited”	Gocompare.com Limited, a private limited company incorporated in England and Wales with registered number 05799376 whose registered office is Imperial House, Imperial Way, Newport, Gwent NP10 8UH, United Kingdom;

“Gocompare.com Directors”	the members of the Gocompare.com Board whose names are set out in section 6 of Part VII (<i>Additional Information</i>);
“Gocompare.com Group”	Gocompare.com and its subsidiaries from time to time, and, as at the date of this document, refers to Gocompare.com and all entities that will be subsidiaries of Gocompare.com immediately following completion of the Demerger;
“Gocompare.com Group 2016 Profit Forecast”	has the meaning given to it in section 17 of Part VII (<i>Additional Information</i>);
“Gocompare.com Group 2019 EBITDA Guidance”	has the meaning given to it in section 18 of Part VII (<i>Additional Information</i>);
“Gocompare.com Finance Limited”	Gocompare.com Finance Limited, a private limited company incorporated in England and Wales with registered number 10227007 whose registered office is Imperial House, Imperial Way, Newport, Gwent NP10 8UH, United Kingdom;
“Gocompare.com Prospectus”	a prospectus relating to Gocompare.com published for the purposes of Admission;
“Gocompare.com Relationship Agreement”	the relationship agreement between Gocompare.com and Sir Peter Wood entered into on 11 October 2016;
“Gocompare.com Shareholders”	holders of Gocompare.com Shares;
“Gocompare.com Shares”	the fully paid ordinary shares in the capital of Gocompare.com;
“Gocompare.com Sponsor’s Agreement”	the Sponsor’s Agreement between Gocompare.com and the Sponsor entered into on 11 October 2016;
“General Meeting”	the general meeting of esure to be held at 11:00am on 1 November 2016 pursuant to the Notice of Meeting set out at the end of this document and any adjourned meeting thereof;
“HMRC”	HM Revenue & Customs in the United Kingdom;
“IFRS”	the International Financial Reporting Standards;
“IRS”	the US Internal Revenue Service;
“Listing Rules”	the listing rules of the FCA made under section 73A(1) of FSMA;
“London Stock Exchange”	the London Stock Exchange Group plc or the market conducted by it, as the context requires;
“MAR”	the Market Abuse Regulation;
“Non-Executive Directors”	the non-executive Directors of esure, whose details are set out in section 3 of Part VII (<i>Additional Information</i>);
“Notice of Meeting”	the notice convening the General Meeting, set out at the end of this document;
“Ofcom”	the Office of Communications;
“Ofgem”	the Office of Gas and Electricity Markets;
“Official List”	the Official List of the FCA;
“ORSA”	Own Risk and Solvency Assessment;
“Overseas Shareholders”	Shareholders who are resident in, ordinarily reside in, or are citizens of, jurisdictions outside of the United Kingdom as at the date of this document;
“Panel”	the Panel on Takeovers and Mergers;
“£”, “Pounds Sterling” or “pence”	the lawful currency of the United Kingdom;

“PRA”	the Prudential Regulation Authority of the United Kingdom;
“Prospectus Directive Regulation”	the EU Prospectus Directive Regulation (2004/809/EC);
“Restructuring Award Plan” and “RAP”	the esure 2016 Restructuring Award Plan, details of which are set out in Appendix 1 to the Notice of General Meeting;
“RAP Resolution”	the ordinary resolution numbered 2 set out in the Notice of General Meeting;
“Record Time”	6:00 p.m. on 2 November 2016, being the time and date for determining entitlement to Gocompare.com Shares of Shareholders under the Demerger;
“Reference Date”	10 October 2016, being the last practicable date prior to publication of this document;
“Registrar”	Equiniti Limited, Aspect House, Spencer Road, Lancing, West Sussex BN99 6DA, United Kingdom;
“Remuneration Committee”	the remuneration committee of esure;
“Resolutions”	the Demerger Resolution and the RAP Resolution;
“Retained Group”	from completion of the Demerger, esure and its subsidiaries and subsidiary undertakings excluding those companies which form part of the Gocompare.com Group;
“SCR”	the esure Group’s solvency capital requirements;
“Shareholder”	a registered holder of esure Shares (excluding esure Shares held in treasury);
“Shareholder Helpline”	the shareholder helpline operated by Equiniti Limited with the telephone number 0333 207 6509 (from inside the UK) or +44 121 415 0985 (from outside the UK);
“Solvency II”	the Solvency II Directive (2009/138/EC);
“Sponsor”	Deutsche Bank AG, acting through its London Branch at Winchester House, 1 Great Winchester Street, London EC2N 2DB;
“subsidiary”	a subsidiary as that term is defined in section 1159 of the Companies Act;
“subsidiary undertaking”	a subsidiary undertaking as that term is defined in section 1162 of the Companies Act;
“Takeover Code”	the City Code on Takeovers and Mergers;
“Term Loan Facility”	the £75 million five year term facility described in section 14 of Part VII (<i>Additional Information</i>);
“uncertificated” or “in uncertificated form”	refers to a share or other security recorded on the relevant register of the share or security concerned as being held in uncertificated form in CREST and title to which may be transferred by means of CREST;
“United Kingdom” or “UK”	the United Kingdom of Great Britain and Northern Ireland;
“United States” or “US”	the United States of America, its territories and possessions, any state of the United States of America and the District of Columbia and all other areas subject to its jurisdiction;
“US dollars” or “\$”	the lawful currency of the United States;

“US Holder”	(1) citizens or residents of the United States as determined for US federal income tax purposes, (2) corporations (or other entities classified as corporations for US federal tax purposes) organised under the laws of the United States, any state thereof, or the District of Columbia, (3) an estate whose income is subject to US federal income taxation regardless of its source, and (4) a trust (A) if a US court is able to exercise primary supervision over the administration of the trust and one or more US persons have the authority to control all substantial decisions of the trust, or (B) that has elected to be treated as a US person under applicable US Treasury Regulations;
“US IR Code”	the United States Internal Revenue Code of 1986, as amended;
“US Securities Act”	the US Securities Act of 1933 (as amended);
“US Securities and Exchange Commission” or “SEC”	the US government agency having primary responsibility for enforcing the federal securities laws and regulating the securities industry/stock market;
“VAT”	value added tax;
“www.gocompare.com”	the website of the Gocompare.com Business, www.gocompare.com; and
“Working Capital Facility”	the £10 million five year working capital facility described in section 14 of Part VII (<i>Additional Information</i>).

ESURE GROUP PLC

Registered in England and Wales No. 7064312

NOTICE OF GENERAL MEETING

Notice is hereby given that a General Meeting of esure Group plc (the “**Company**”) will be held at the registered office of the Company at The Observatory, Castlefield Road, Reigate, Surrey RH2 0SG on 1 November 2016 at 11:00am for the purpose of considering and, if thought fit, passing the following Resolutions as ordinary resolutions.

1. Demerger Resolution

THAT:

- (A) upon the recommendation and conditional on the approval of the directors of the Company and immediately prior to the ordinary shares (the “**Gocompare.com Shares**”) of Gocompare.com Group plc (“**Gocompare.com**”) being admitted to the premium listing segment of the Official List of the Financial Conduct Authority and to trading on the main market for listed securities of the London Stock Exchange (“**Admission**”) in connection with the Demerger (as defined in the circular to shareholders published by the Company and dated 11 October 2016) (the “**Circular**”), an interim distribution in-specie of the Gocompare.com Shares be and is hereby declared payable to holders of ordinary shares of the Company (“**esure Shares**”) on the register of members of the Company at 6:00pm (London time) on 2 November 2016 (or such other time or date as the directors of the Company may determine) (the “**Record Time**”), effective immediately prior to Admission and credited as fully paid, in the proportion of one Gocompare.com Share for each esure Share then held by each such holder, so that immediately prior to Admission all holders of esure Shares will hold one Gocompare.com Share for each esure Share held by each such holder at the Record Time;
- (B) the Demerger is hereby approved for the purposes of Chapter 10 of the listing rules of the FCA made under section 73A(1) of the Financial Services and Markets Act 2000 of the United Kingdom, as amended, and generally; and
- (C) each and any of the directors of the Company be and are hereby authorised to conclude and implement the Demerger and to do or procure to be done all such acts and things on behalf of the Company and each of its subsidiaries as they may, in their discretion, consider necessary or expedient for the purpose of giving effect to the Demerger with such amendments, modifications, variations or revisions thereto as are not of a material nature.

2. RAP Resolution

THAT:

- (A) the rules of the esure 2016 Restructuring Award Plan in the form produced to the meeting and initialled by the Chairman of the meeting for the purposes of identification (the “**RAP**”), the principal terms of which are summarised in the Appendix 1 to this Notice of General Meeting (“**Appendix 1**”), be and are hereby approved and the directors of the Company be and are hereby authorised to adopt the RAP and do all acts and things which they may, in their discretion, consider necessary or expedient to give effect to the RAP; and
- (B) the directors of the Company be and are hereby authorised to do or procure to be done all such acts and things on behalf of the Company and each of its subsidiaries as they may, in their discretion, consider necessary or expedient for the purpose of giving effect to the proposed grant of awards described in paragraph 1 of Appendix 1.

By order of the esure Board
11 October 2016

Nick Edwards
General Counsel & Company Secretary

Registered Office:
esure Group plc
The Observatory
Reigate, Surrey
RH2 0SG
United Kingdom

Appendix 1—esure 2016 Restructuring Award Plan

This summary sets out the principal terms of the esure 2016 Restructuring Award Plan (the “**RAP**”). Capitalised terms not defined in this summary have the same meanings as are set out for them in the circular to shareholders dated 11 October 2016.

1. PURPOSE AND ELIGIBILITY

The purpose of the RAP is to compensate for the significant opportunity lost under outstanding unvested incentive arrangements at the point of the Demerger as a result of the reduced size of the esure Group, any reduced market value of an esure Share following the Demerger, as well as to reward selected employees of the esure Group with awards in recognition of the strategic development of the Gocompare.com Business since its acquisition and for the successful completion of the Demerger and Admission.

esure’s existing directors’ remuneration policy does not reference this grant and these awards may not be made under esure’s Strategic Leadership Plan (“**SLP**”) approved by shareholders at the 2016 AGM. Shareholder approval is therefore being sought specifically for these awards.

Any employee (including an executive director) of the esure Group may be eligible to participate in the RAP at the discretion of the Remuneration Committee. Practically speaking, it is proposed that the following awards (“**Awards**”) over esure Shares are granted to the following key individuals as soon as reasonably practicable after the completion of the Demerger:

<u>Position</u>	<u>Total market value of esure Shares subject to Award at grant date (as determined by the Remuneration Committee)</u>
Chief Executive Officer	£1,500,000
Chief Finance Officer	£1,000,000
Aggregate Awards for other key senior executives	£1,500,000 (in aggregate)

No further Awards may then be made under the RAP.

2. FORM OF AWARDS

Awards will be in the form of a conditional right to acquire esure Shares at no cost to the participant.

3. GRANT OF AWARDS

Awards may only be granted within the one month period after the completion of the Demerger. To the extent the grant of Awards is restricted during that period as a consequence of esure’s share dealing code or any other regulatory considerations, Awards may be made during the period of one month from when those restrictions are lifted.

4. TERMS OF AWARDS

Awards may be granted over newly issued esure Shares, treasury esure Shares or esure Shares purchased in the market. Awards are not transferable (other than on death). No payment will be required for the grant of an Award. Awards will not form part of pensionable earnings.

5. VESTING AND RELEASE

Awards will be subject to a vesting period which will end on the first anniversary of the grant date.

Awards will also be subject to an additional holding period (a “**Holding Period**”) during which the esure Shares subject to an Award will not be delivered to participants and at the end of which Awards will be “released” (i.e. participants will be entitled to receive their esure Shares under their Awards and sell the esure Shares).

Awards will be split into three equal tranches for the purposes of the Holding Period. The Holding Period will start on the date an Award vests and end on:

- (A) the second anniversary of the grant date, for one-third of the esure Shares in respect of which the Award vests;

- (B) the third anniversary of the grant date, for a further third of the esure Shares in respect of which the Award vests; and
- (C) the fourth anniversary of the grant date, for the remaining esure Shares in respect of which the Award vests.

At any time before the point at which any tranche of an Award is released, the Remuneration Committee may decide to pay a participant a cash amount equal to the value of the esure Shares he would otherwise have received.

6. DIVIDEND EQUIVALENTS

The Remuneration Committee may decide, at any time prior to the delivery of esure Shares in satisfaction of a tranche of an Award, that the participant will receive an amount (in cash and/or additional esure Shares) equal in value to any dividends that would have been paid on the esure Shares that have vested on such terms and over such period (ending no later than the date on which that tranche is released) as the Remuneration Committee may determine. This amount may assume the reinvestment of dividends (on such basis as the Remuneration Committee may determine) and may exclude or include special dividends.

7. PLAN LIMITS

The RAP is subject to the following overall plan limits in line with the SLP:

- i. in any 10 year period, the number of esure Shares which may be issued under the RAP and under any other discretionary employee share plan adopted by esure may not exceed 5 per cent. of the issued ordinary share capital of esure from time to time; and
- ii. in any 10 year period, the number of esure Shares which may be issued under the RAP and under any other employee share plan adopted by esure may not exceed 10 per cent. of the issued ordinary share capital of esure from time to time.

Treasury shares will be treated as newly issued for the purpose of these limits until such time as guidelines published by institutional investor representative bodies determine otherwise.

8. REDUCTION OF AWARDS (MALUS) AND CLAWBACK

In certain circumstances where the Remuneration Committee considers such action is appropriate, the Remuneration Committee may decide to operate the malus and/or clawback provisions applicable to Awards.

The circumstances in which the Remuneration Committee may consider operating these provisions are:

- (i) a material misstatement in the financial results of esure or any other member of the esure Group;
- (ii) an error in assessing the information or assumptions on which the Award was granted or vested;
- (iii) a material failure of risk management by esure, any other member of the esure Group or a relevant business unit;
- (iv) serious reputational damage to esure, any other member of the esure Group or a relevant business unit;
- (v) misconduct on the part of the participant; or
- (vi) (in the case of malus only) any other circumstances which the Remuneration Committee in its discretion considers to be similar in their nature or effect,

occurring within the period beginning on the grant date (or such earlier date as the Remuneration Committee determines at the time of grant) and ending on the sixth anniversary of the grant date.

The malus provision may be implemented by reducing the number of esure Shares subject to an Award or imposing further conditions on it prior to the release of the Award.

The clawback provisions may be implemented at any time prior to the sixth anniversary of the grant date by a reduction in the number of esure Shares that have not yet been delivered to satisfy the release of an Award and/or the participant being required to return the cash or esure Shares delivered under the Award to esure or its nominee or to make a cash payment in respect of that cash or those esure Shares. The

Remuneration Committee will retain the discretion to calculate the amount subject to recovery, including whether or not to claw back Awards gross or net of any tax or social security contributions applicable to the Award.

9. CESSATION OF EMPLOYMENT

Unvested Awards will lapse on the individual's cessation of office or employment with the esure Group unless cessation is as a result of any of the following:

- (i) the individual's death;
- (ii) ill-health, injury or disability as established to the satisfaction of the Remuneration Committee;
- (iii) the sale of the individual's employing company or business out of the esure Group; or
- (iv) any other reason that the Remuneration Committee determines (except where a participant is summarily dismissed).

An individual is considered a “**Good Leaver**” if any of the circumstances above apply.

If a participant dies, an unvested Award will, unless the Remuneration Committee determines otherwise, vest as soon as reasonably practicable after the date of the participant's death to the extent that the Remuneration Committee determines. The Remuneration Committee will take into account, unless it determines otherwise, the proportion of the vesting period that has elapsed. Any vested Award to the extent it has not yet been released will then be released as soon as reasonably practicable after the date of the participant's death.

Unvested Awards held by Good Leavers (other than where the cessation of office or employment is by reason of death) will usually continue until the end of the relevant Holding Period, unless the Remuneration Committee determines that the Award will vest and be released as soon as reasonably practicable after the date of cessation. Awards will vest to the extent determined by the Remuneration Committee taking into account, unless it determines otherwise, the proportion of the vesting period that has elapsed.

If a participant ceases to be an officer or employee of the esure Group during a Holding Period, his Award will normally be released at the end of that Holding Period, unless the Remuneration Committee determines that it should be released as soon as reasonably practicable after his cessation of office or employment. However, if a participant is summarily dismissed during a Holding Period, his Award will lapse immediately.

10. CORPORATE EVENTS

In the event of a change of control of esure, unvested Awards will vest to the extent determined by the Remuneration Committee, taking into account, unless it determines otherwise, the proportion of the vesting period that has elapsed. All Awards to the extent not yet released will then be released.

Alternatively, the Remuneration Committee may permit or require Awards to be exchanged for awards over shares in a different company (including the acquiring company). If the change of control is an internal reorganisation of the esure Group or if the Remuneration Committee so decides, participants may be required to exchange their Awards (rather than Awards vesting or being released as part of the transaction).

If other corporate events occur such as a winding-up of esure, or an event such as a demerger, delisting, special dividend or other event which, in the opinion of the Remuneration Committee, may affect the current or future value of esure Shares to a material extent and the Remuneration Committee determines that it would not be appropriate or practical to adjust Awards, the Remuneration Committee may determine that Awards will vest, taking into account, unless it determines otherwise, the proportion of the vesting period that has elapsed, and be released.

11. ADJUSTMENTS

In the event of a variation of esure's share capital or a demerger, delisting, special dividend or other event, which may, in the Remuneration Committee's opinion, affect the current or future value of esure Shares, the number of esure Shares subject to an Award may be adjusted.

12. AMENDMENT AND TERMINATION

The Remuneration Committee may amend the RAP or the terms of any Award at any time, provided that prior approval of esure's shareholders in a general meeting will be required for amendments to the advantage of eligible employees or participants relating to eligibility, limits on the value of Awards, the basis for determining a participant's entitlement to, and the terms of, the esure Shares or cash comprised in an Award and the impact of any variation of capital.

However, any minor amendment to benefit the administration of the RAP, to take into account legislative changes, or to obtain or maintain favourable tax treatment, exchange control or regulatory treatment may be made by the Remuneration Committee without shareholder approval.

No amendment may be made to the material disadvantage of participants in the RAP unless consent is sought from the affected participants and given by a majority of them that respond.

Notes

1. Shareholders are entitled to appoint a proxy to exercise all or any of their rights to attend and to speak and vote on their behalf at the meeting. A shareholder may appoint more than one proxy in relation to the General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that Shareholder. A proxy need not be a shareholder of the Company. A Form of Proxy which may be used to make such appointment and give proxy instructions accompanies this Notice of General Meeting. If you do not have a Form of Proxy and believe that you should have one, or if you require additional forms, please contact our Registrar, Equiniti Limited, on 0333 207 6509 (from inside the UK) or +44 121 415 0985 (from outside the UK). Lines are open 8:30 a.m. to 5:30 p.m., Monday to Friday (excluding public holidays in England and Wales). Calls to the Shareholder Helpline from outside the UK are charged at the applicable international rates. Please note that calls may be recorded and randomly monitored for security and training purposes. Please note that the Shareholder Helpline operators cannot provide advice on the merits of the Demerger nor give financial, tax, investment or legal advice. The appointment of a proxy does not preclude a shareholder from attending and voting in person if he or she so wishes, however, if you do attend, any proxy appointment will be treated as revoked.
2. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's Register of Members in respect of the joint holding (the first named being the most senior).
3. To be valid, any Form of Proxy or other instrument appointing a proxy must be received by post or (during normal business hours only) by hand at the Company's Registrar, at the address shown on the Form of Proxy or received via the Sharevote website (www.sharevote.co.uk) or in the case of shares held through CREST, via the Euroclear website, (see note 12 below), in each case no later than 11:00 a.m. on 30 October 2016. If you return more than one proxy appointment, either by paper or electronic communication, that received last by the Registrar before the latest time for the receipt of proxies will take precedence. You are advised to read the terms and conditions of use carefully. Electronic communication facilities are open to all Shareholders and those who use them will not be disadvantaged.
4. The return of a completed Form of Proxy, other such instrument or any CREST Proxy Instruction (as described in note 12 below) will not prevent a shareholder attending the General Meeting and voting in person if he/she wishes to do so. Unless you attend the General Meeting in person, it is necessary to inform the Company's Registrar in writing of any termination of the authority of a proxy.
5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the General Meeting.
6. Any person to whom this Notice of General Meeting is sent who is a person nominated under section 146 of the Companies Act to enjoy information rights (a "**Nominated Person**") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else appointed) as a proxy for the General Meeting. If a Nominated Person has no such proxy appointment right or does not wish to exercise it, he/she may, under any such agreement, have a right to give instructions to the shareholder as to the exercise of voting rights.
7. The statement of the rights of shareholders in relation to the appointment of proxies in notes 1, 2, and 3 above does not apply to Nominated Persons. The rights described in these paragraphs can only be exercised by shareholders of the Company. Nominated Persons are reminded they should contact the registered holder of their shares (and not the Company) on matters related to their investments in the Company.
8. To be entitled to attend and vote at the General Meeting (and for the purpose of the determination by the Company of the votes they may cast), shareholders must be registered in the Register of Members of the Company at 6:30pm on 30 October 2016. Changes to the Register of Members after the relevant deadline shall be disregarded in determining the rights of any person to attend and vote at the meeting. It is the current intention that voting at the meeting will be conducted by way of a poll as the Company believes that a poll is more representative of shareholders' voting intentions

because shareholder votes are counted according to the number of ordinary shares held and all votes tendered are taken into account.

9. As at 10 October 2016 (being the last practicable business day prior to the publication of this Notice of General Meeting), the Company's issued share capital consists of 416,864,465 ordinary shares carrying one vote each. No shares are held in treasury. Therefore the total voting rights in the Company as at 10 October 2016 are 416,864,465 votes.
10. You may, if you wish, register the appointment of a proxy or voting instruction for the meeting by logging onto www.sharevote.co.uk. You will need to use the series of numbers made up of your Voting ID, Task ID and Shareholder Reference Number printed on your Form of Proxy. Full details of the procedure are given on the website. The proxy appointment and/or voting instructions must be received by Equiniti Limited not later than 11:00am on 30 October 2016. Please note that any electronic communication sent to the Registrar that is found to contain a computer virus will not be accepted. The use of the internet service in connection with the General Meeting is governed by Equiniti Limited's conditions of use set out on the website, www.sharevote.co.uk, and may be read by logging onto the site.
11. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a 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.
12. In order for a proxy appointment or instruction made using the CREST service 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 instruction, as described in the CREST Manual (available via www.euroclear.com). The message, regardless of whether it constitutes the appointment of a proxy or is 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 our Registrar, Equiniti Limited (ID RA19) by 11:00am on 30 October 2016. 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 application 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 instruction to proxies appointed through CREST should be communicated to the appointee through other means.
13. 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 message. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed a voting service provider, to procure that his/her CREST sponsor or voting service provider(s) take(s), 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 system providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.
14. The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.
15. Any corporation which is a shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a shareholder provided that they do not do so in relation to the same shares.
16. Under section 338 and section 338A of the Companies Act, shareholders meeting the threshold requirements in those sections have the right to require the Company (i) to give, to shareholders 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, 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 11:00am on 20 September 2016, being the date six clear weeks before the meeting, 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.

17. Any shareholder attending the meeting has the right to ask questions. The Company must cause to be answered any such question relating to the business being dealt with at the meeting but no such answer need be given if (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information, (b) the answer has already been given on a website in the form of an answer to a question, or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question is answered.
18. A copy of the Notice of General Meeting, and other information required by section 311A of the Companies Act, can be found on the Company's website at www.esuregroup.com.
19. The rules of the RAP will be available for inspection at the registered office of esure Group plc at The Observatory, Castlefield Road, Reigate, Surrey RH2 0SG and at offices of Slaughter and May, One Bunhill Row, London EC1Y 8YY on any weekday (Saturdays, Sundays and public holidays excepted) until the close of the General Meeting and will also be available at the place of the General Meeting for at least 15 minutes before and during the meeting.
20. You may not use any electronic address provided in either this Notice of General Meeting or any related documents (including the Form of Proxy) to communicate with the Company for any purposes other than those expressly stated.

