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If you sell or have sold or otherwise transferred all of your Ordinary Shares you should forward this document and the accompanying Form of Proxy to the purchaser or transferee or to the stockbroker, bank or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. If you have sold or otherwise transferred only part of your holding of Ordinary Shares, please contact immediately your stockbroker, bank or other agent through whom the sale or transfer was effected.

This document does not constitute an offer or invitation for any person to subscribe for or purchase any securities in Donegal Investment Group plc (“**Donegal**” or the “**Company**”). This document is provided in connection with Shareholder approval, and is not a prospectus, offering circular, placement memorandum or the like containing the information accompanying a securities offering.

Donegal Investment Group plc

(Registered in the Republic of Ireland, Registered Number 162921)

Proposed Disposal of 30% shareholding in Elst Unlimited Company Notice of Extraordinary General Meeting

Your attention is drawn to the letter from the Chairman of Donegal set out on pages 8 to 13 of this document, which explains the purpose of the Resolution to be proposed at the Extraordinary General Meeting and includes the recommendation from the Board to vote in favour of the Resolution.

The Notice of the Extraordinary General Meeting of Donegal to be held at The Silver Tassie Hotel, Ballymaleel, Ramelton Road, Letterkenny, Co. Donegal, on 27 November 2017 at 11:00am, is set out on page 14 of this document.

A Form of Proxy for use at the Extraordinary General Meeting is enclosed. You are requested to complete and return the Form of Proxy as soon as possible whether or not you propose to attend the meeting in person. To be valid, the enclosed Form of Proxy should be completed and returned by hand or by post to Donegal’s registrars, Computershare Investor Services (Ireland) Ltd, Heron House, Corrig Road, Sandymount Industrial Estate, Dublin 18, D18 Y2X6 to arrive by no later than 11:00am on 25 November 2017. Completion and return of a Form of Proxy will not preclude you, from attending and voting at the Extraordinary General Meeting should you so wish.

Investec Bank plc (Irish Branch) (“**Investec**”), which is authorised by the Prudential Regulation Authority in the United Kingdom and is regulated in Ireland by the Central Bank of Ireland, is ESM adviser (pursuant to the ESM Rules) to Donegal. Investec is acting exclusively for Donegal in connection with the arrangements described in this document and is not acting for any other person and will not be responsible to any person for providing the protections afforded to customers of Investec or for advising any other person in connection with the arrangements described in this document.

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EXPECTED TIMETABLE OF PRINCIPAL EVENTS

Publication of this document	10 November 2017
Latest time and date for receipt of Form of Proxy for the Extraordinary General Meeting	11:00am on 25 November 2017
Extraordinary General Meeting	11:00am on 27 November 2017
Latest date for completion of the Disposal	15 February 2018

All references in this document are to Dublin times unless otherwise stated.

If any details contained in the timetable above should change, the revised times and dates will be notified by means of an announcement through a Regulatory Information Service.

DEFINITIONS

In this document the following expressions have the following meanings unless the context otherwise requires or unless otherwise provided:

“2016 Annual Report”	the annual report and audited financial statements of Donegal for the period ended 31 August 2016;
“Board” or “Directors”	the board of directors of Donegal;
“Carbury”	Carbury Mushrooms Limited;
“Circular”	this document;
“Commercial Court Remedy”	has the meaning given to it in Section 2 (<i>Background to and Reasons for the Disposal</i>) of this Circular;
“Connacht Gold”	Connacht Gold Co-Operative Society Limited;
“Court of Appeal Valuation Order”	has the meaning given to it in Section 2 (<i>Background to and Reasons for the Disposal</i>) of this Circular;
“Disposal”	the proposed disposal by Donegal of the Disposal Shares to the Elst Majority Shareholders pursuant to the terms of the Settlement Agreement;
“Disposal Shares”	Donegal’s entire shareholding in Elst, comprising 11,850,002 A ordinary shares in the share capital of Elst;
“Donegal” and/or the “Company”	Donegal Investment Group plc;
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of Donegal, to be held at The Silver Tassie Hotel, Ballymaleel, Ramelton Road, Letterkenny, Co Donegal on 27 November 2017 at 11:00am;
“Elst”	Elst Unlimited Company, an unlimited liability company incorporated in Ireland with its registered office at Tyholland, Monaghan, Co. Monaghan having registered number 474844;
“Elst Majority Shareholders”	Danbywiske Unlimited Company, Mr Ronald Wilson and The General Partners of the Wilson Limited Partnership 1, being the holders of 70 per cent of the issued share capital of Elst;
“ESM”	the market of that name operated by the Irish Stock Exchange;
“ESM Rules”	the rules governing the admission to and operation of ESM as published by the Irish Stock Exchange from time to time;
“Form of Proxy”	the form of proxy for use at the Extraordinary General Meeting enclosed with this document;
“Initial Commercial Court Valuation”	has the meaning given to it in Section 2 (<i>Background to and Reasons for the Disposal</i>) of this Circular;
“Initial Payment”	has the meaning given to it in Section 5 (<i>Summary of the Settlement Agreement</i>) of this Circular;
“Initial Payment Date”	15 February 2018;

“Investec”	Investec Bank plc (Irish Branch);
“Irish Stock Exchange”	The Irish Stock Exchange plc;
“Merger”	the merger of Carbury and Monaghan in 2004;
“Monaghan”	Monaghan Middlebrook Mushrooms Unlimited Company;
“Notice”	the notice of Extraordinary General Meeting as set out at the end of this document;
“Ordinary Shares”	ordinary shares of €0.13 cent each in the share capital of Donegal;
“Proceedings”	the shareholder oppression proceedings commenced by Donegal against the Respondents in respect of Donegal’s shareholding in Elst;
“Registrar”	Donegal’s registrar, being Computershare Investor Services (Ireland) Ltd, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, D18 Y2X6;
“Rehearing”	has the meaning given to it in Section 2 (<i>Background to and Reasons for the Disposal</i>) of this circular;
“Resolution”	the resolution to be proposed in the manner specified in the Notice of Extraordinary General Meeting;
“Respondents”	the Elst Majority Shareholders together with Monaghan Mushrooms Ireland Unlimited Company and Elst;
“Restructuring”	has the meaning given to it in Section 2 (<i>Background to and Reasons for the Disposal</i>) of this Circular;
“SESA”	the share exchange and shareholders’ agreement dated 1 June 2004 entered into between (1) Danbywiske Unlimited Company; (2) Donegal; (3) Connacht Gold; (4) Monaghan; (5) Mr Ronald Wilson; and (6) Carbury;
“Settlement”	the Disposal of the Disposal Shares and the settlement of the Proceedings pursuant to the Settlement Agreement;
“Settlement Agreement”	the settlement agreement dated 18 October 2017 entered into between (1) Donegal; (2) Danbywiske Unlimited Company; (3) Mr Ronald Wilson; (4) The General Partners of the Wilson Limited Partnership 1; (5) Monaghan Mushrooms Ireland Unlimited Company; and (6) Elst;
“Shareholder(s)”	holder(s) of Ordinary Shares;
“Variable Consideration”	has the meaning given to it in Section 5 (<i>Summary of the Settlement Agreement</i>) of this Circular; and
“€”	euro, the legal currency of the participating Member States of the European Union as defined in Recital (2) of Council Regulation 974/98/EC on the introduction of the euro.

DIRECTORS, COMPANY SECRETARY AND ADVISORS

Directors	Geoffrey Vance – Chairman Ian Ireland – Managing Director Padraic Lenehan Geoffrey McClay Patrick J Kelly Norman Witherow Michael Griffin Frank Browne Henry McGarvey
Company Secretary	Padraic Lenehan
Registered Office	Ballyraine Letterkenny Co Donegal
ESM Advisor and Broker	Investec The Harcourt Building Harcourt Street Dublin 2
Auditors	KPMG 1 Stokes Place St. Stephen's Green Dublin 2
Solicitors	VP McMullin & Son Letterkenny Co Donegal Arthur Cox Ten Earlsfort Terrace Dublin 2
Registrar	Computershare Investor Services (Ireland) Ltd Heron House, Corrig Road Sandyford Industrial Estate Dublin 18

LETTER FROM THE CHAIRMAN OF DONEGAL

Donegal Investment Group plc
(Registered in the Republic of Ireland, Registered Number 162921)

Directors:

Geoffrey Vance (Chairman)
Ian Ireland (Managing Director)
Padraic Lenehan
Geoffrey McClay
Patrick J Kelly
Norman Witherow
Michael Griffin
Frank Browne
Henry McGarvey

Registered Office

Ballyraine
Letterkenny
Co Donegal
F92 H688

10 November 2017

To the Shareholders of Donegal Investment Group plc

Dear Shareholder,

1. INTRODUCTION

On 18 October 2017 the Company announced that it had entered into an agreement to settle the Company's shareholder oppression claim against the majority shareholders of Elst Unlimited Company. Elst is the holding company of the Monaghan Mushrooms group of companies, which are engaged in the business of manufacturing compost and the growing and selling of mushrooms. The remaining 70 per cent of the issued share capital of Elst is owned by the Elst Majority Shareholders.

Pursuant to the terms of the Settlement Agreement, the Company has agreed to dispose of its entire shareholding in Elst (being 30 per cent of the issued share capital of Elst) to the Elst Majority Shareholders in consideration for the payment to the Company of €45,000,000 plus a further variable amount expected to be between €400,000 and €500,000. The sale of the Disposal Shares may alternatively be effected by a share buyback.

The Directors of the Company have issued this Circular and the accompanying Notice of Extraordinary General Meeting to Donegal Shareholders for the purpose of convening an Extraordinary General Meeting of the Company to be held at 11:00am on 27 November 2017 at The Silver Tassie Hotel, Ballymaleel, Ramelton Road, Letterkenny, Co Donegal in order to seek the approval of Donegal Shareholders for the Disposal.

Further details of the shareholder oppression claim are set out in Section 2 (*Background to and Reasons for the Disposal*) of this Circular. In addition, further details of the terms of the Settlement Agreement are set out in Section 5 (*Summary of the Settlement Agreement*) of this Circular.

If implemented, the Disposal would exceed 75 per cent under one or more of the class tests prescribed by the ESM Rules. Accordingly, the Disposal constitutes a disposal resulting in a fundamental change of business pursuant to Rule 15 of the ESM Rules and is conditional on the consent of the Company's Shareholders being given at an Extraordinary General Meeting of Donegal.

This Circular will be available on the Company's website at www.donegaligroup.com.

2. BACKGROUND TO AND REASONS FOR THE DISPOSAL

On June 2 2004, Donegal announced that Carbury (at that time its joint venture with Connacht Gold) had agreed to merge with Monaghan, following which Donegal became a 23 per cent shareholder in Monaghan, the then holding company of the Monaghan Group (the "**Merger**"). For the purposes of the Merger, a Share Exchange and Shareholders' Agreement (the "**SESA**") was entered into between, *inter alia*, Donegal, Connacht Gold and Danbywiske, the majority shareholder in Monaghan following the Merger, and a company ultimately under the control of Mr. Ronald Wilson, founder of Monaghan. Monaghan became the vehicle for the Merger and Donegal was issued shares in Monaghan.

During 2007 Donegal increased its shareholding in Monaghan to 35 per cent through the acquisition of the shares owned by Connacht Gold, with the 65 per cent majority interest being owned by Danbywiske. At the same time an option was granted to Danbywiske to acquire 5 per cent of Donegal's shareholding based on certain financial performance criteria being achieved by Monaghan. In August 2010, Elst became the holding company of Monaghan and a party to the SESA (in place of Monaghan) as a result of a group restructuring (the "**Restructuring**"). Pursuant to the Restructuring, Donegal's 35% shareholding in Monaghan was exchanged for a 35% shareholding in Elst.

On 10 April 2014, as part of its preliminary announcement of results for the year ended 31 December 2013, Donegal announced that it had taken a shareholder oppression claim in relation to its shareholding in Elst and that the matter was before the Irish courts (the "**Proceedings**"). The Proceedings sought relief under Section 205 of the Companies Act, 1963 (which provides for relief from oppressive actions by other shareholders). The respondents to the Proceedings were the Elst Majority Shareholders together with Monaghan Mushrooms Ireland Unlimited Company and Elst (together, the "**Respondents**").

On 5 December 2014 the Commercial Court, a division of the High Court, gave judgement in relation to the price at which the Elst Majority Shareholders might purchase Donegal's 35 per cent interest in Elst in the event that Donegal's claims of oppression in the Proceedings were successful. The High Court determined that, in its opinion, €30.6m was an appropriate price for the purchase of Donegal's 35 per cent shareholding (the "**Initial Commercial Court Valuation**"). In separate proceedings in January 2015, the High Court determined that the 2007 option under which Danbywiske could purchase 5 per cent of Donegal's shareholding in Elst was valid and had been exercised. As a result of the exercise of the 2007 option, Donegal's remaining 30 per cent shareholding in Elst had a value (pursuant to the Initial Commercial Court Valuation) of approximately €26.2m.

Subsequently, the Elst Majority Shareholders admitted to specified and unspecified acts of oppression. On 21 May 2015, the Commercial Court ordered that Donegal's shareholding in Elst be acquired by the Respondents at the Initial Commercial Court Valuation as the remedy to the relief being sought by Donegal in the Proceedings (the "**Commercial Court Remedy**").

The Board of Donegal did not consider that the Initial Commercial Court Valuation represented appropriate value for the shareholders of Donegal and appealed both the Initial Commercial Court Valuation and the Commercial Court Remedy to the Court of Appeal. On 8 June 2016 the Court of Appeal allowed the appeal in respect of the Initial Commercial Court Valuation and ordered a rehearing in the High Court (the "**Rehearing**") in relation to the price at which Donegal's 30 per cent shareholding in Elst should be acquired (the "**Court of Appeal Valuation Order**"). The Court of Appeal upheld the Commercial Court Remedy order, under which the Respondents were to acquire Donegal's shareholding in Elst. Accordingly, the Initial Commercial Court Valuation was no longer applicable but the order requiring the Respondents to buy the Disposal Shares remained in place.

The Respondents appealed the Court of Appeal Valuation Order to the Supreme Court and on 27 February 2017 the Supreme Court dismissed the Respondents' appeal. Following this unsuccessful appeal, the Rehearing at which the High Court was due to consider and determine the price at which the Respondents should purchase Donegal's 30 per cent shareholding in Elst was set for 17 October 2017.

Prior to the Rehearing, discussions took place between Donegal and the Elst Majority Shareholders in relation to the potential settlement of the Proceedings. On 18 October 2017 Donegal and the Respondents entered into the Settlement Agreement pursuant to which, and consistent with the Commercial Court Remedy, Donegal agreed to sell its 30% shareholding in Elst to the Elst Majority Shareholders in consideration for the payment to the Company of €45,000,000 plus a further variable amount expected to be between €400,000 and €500,000. The terms of the Settlement Agreement as regards the disposal of the Disposal Shares are more fully described below in Section 5 (*Summary of the Settlement Agreement*), and the Settlement (as provided for in the Settlement Agreement) is subject to the approval of the Company's Shareholders.

While the Company believes that if there was an open market process to sell Elst (or a portion of Elst) to a willing buyer, the price achieved would be higher than €45,000,000, the Directors believe that the Court process to determine the value would be unlikely to deliver as good a result as an open market sale. In this context, the Settlement, as set out in the Settlement Agreement, provides (i) a definitive resolution to long running litigation (which, if the valuation at the Rehearing was appealed could have continued for a further number of years); (ii) a remedy to the relief sought by Donegal in the Proceedings; and (iii) a proximate realisation (i.e no later than 15 February 2018) of the Company's shareholding in the Monaghan business.

Accordingly, the Directors of Donegal have undertaken to vote their respective shareholdings in Donegal in favour of the Resolution to approve the Settlement at the Extraordinary General Meeting.

Subject to the receipt of Donegal Shareholder approval at the Extraordinary General Meeting, the sale of the Disposal Shares is expected to occur on or prior to 15 February 2018. If Donegal's Shareholders do not approve the Disposal at the Extraordinary General Meeting, the agreed terms of sale as set out in the Settlement Agreement will cease to have any effect and the parties will request the High Court to recommence the Proceedings.

3. INFORMATION ON THE PURCHASER AND ELST MAJORITY SHAREHOLDERS

The Elst Majority Shareholders are comprised of (1) Danbywiske Unlimited Company; (2) Mr Ronald Wilson; and (3) The General Partners of the Wilson Limited Partnership 1. Donegal understands that both Danbywiske Unlimited Company and the Wilson Limited Partnership 1 are ultimately owned and controlled by Mr Ronald Wilson and his related parties. Mr Ronald Wilson is the Chief Executive of Elst.

4. INFORMATION ON ELST AND ITS FINANCIAL PERFORMANCE

Elst is an unlimited company and, as such, is not required to file publicly available annual reports and accounts.

Since 1 January 2016, taking account of the status of the shareholder oppression claim, Donegal has accounted for its shareholding in Elst as an "asset held for sale" in its reported financial statements. In this regard, the Company's 2016 Annual Report includes its shareholding in Elst as an "asset held for sale" with a value of approximately €23.8 million. The Company's unaudited interim results for the 6 months ended 28 February 2017 also included its shareholding in Elst as an "asset held for sale" for an amount of approximately €23.8 million. This valuation (required for accounting purposes) did not and does not represent the amount which the directors of Donegal believe its shares in Elst are actually worth.

As Donegal's shareholding in Elst has been accounted for as an "asset held for sale" by the Company since 1 January 2016, no revenue or profits derived from Elst were recognised in the Company's 2016 Annual Report.

Prior to 1 January 2016, Donegal accounted for its shareholding in Elst as an "investment in associates" together with its investments in North Western Livestock Holdings Limited and Leapgrange Limited. The table below provides the financial information disclosed by the Company in relation to its investments in associates in its financial reports for the years ending on 31 December 2015 and 31 December 2014. At 31 December 2014, Donegal held a 35 per cent interest in Elst and at 31 December 2015 a 30 per cent interest in Elst. As the financial information below has been extracted from Donegal's consolidated financial statements for the relevant financial years, it also includes financial information in relation to Donegal's investments in North Western Livestock Holdings Limited and Leapgrange Limited. The information relating to North Western Livestock Holdings Limited and Leapgrange Limited included in the table below is not considered to be substantial and the financial information primarily relates to Donegal's investment in Elst.

	2015 €'000	2014 €'000
Revenue	338,494	338,037
Profit from continuing operations	6,941	9,495
Other comprehensive Income	266	2,200
Total comprehensive income	<u>7,207</u>	<u>11,695</u>
Attributable to NCI	164	2,725
Attributable to investee shareholders	<u>7,043</u>	<u>8,970</u>
Current assets	89,962	87,327
Non-current assets	223,006	226,938
Current liabilities	-115,657	-103,760
Non-current liabilities	-124,132	-145,305
Net assets	<u>73,179</u>	<u>65,200</u>
Attributable to NCI	9,123	8,546
Attributable to investee shareholders	<u>64,056</u>	<u>56,654</u>
Groups interest in net assets of associate at 1 January	26,322	22,536
Total comprehensive income attributable to Group	2,162	3,780
Exercise of option granted over investment in associate	-3,612	-
Carrying amount of interest in associate at end of the year	<u>24,904</u>	<u>26,322</u>
Less loans to associate	830	798
Interest in associate	<u>24,074</u>	<u>25,524</u>

Notes:

- (1) Extracted from Donegal annual reports without adjustment.
- (2) NCI – non-controlling interest.
- (3) The above P&L and balance sheet figures relate entirely to Elst with the exception of €55k in 2014. The interest in associate figures relate entirely to Elst in 2015 and 2014 with the exception of a carrying value of €229k in Leapgrange (now disposed of).

5. SUMMARY OF THE SETTLEMENT AGREEMENT

If approved by Donegal Shareholders at the Extraordinary General Meeting, the Disposal should proceed in accordance with the terms of the Settlement Agreement.

Pursuant to the Settlement Agreement, the Company has agreed to dispose of its entire shareholding in Elst, to the Elst Majority Shareholders in consideration for the payment to the Company of €45,000,000 plus a further variable amount expected to be between €400,000 and €500,000 (the “**Variable Consideration**”). The amount of the Variable Consideration will be adjusted depending on the date on which the sale of the Disposal Shares completes.

Under the terms of the Settlement Agreement, an amount of €41,000,000 together with the Variable Consideration (together, the “**Initial Payment**”) is payable by the Elst Majority Shareholders on or before 15 February 2018 (the “**Initial Payment Date**”). In addition, the Settlement Agreement provides for the payment of two further non-conditional deferred payments by the Elst Majority Shareholders as follows:

- (a) €2,000,000, to be paid on or before 15 February 2019; and
- (b) a further €2,000,000, to be paid on or before 15 February 2020.

Together with the Initial Payment, this brings the total consideration payable to the Company pursuant to the Settlement Agreement to in excess of €45,000,000.

The Settlement Agreement provides that the Disposal may be implemented by way of a transfer by the Company of the Disposal Shares or, at the option of the Elst Majority Shareholders, by way of a buyback of the Disposal Shares by Elst provided such buyback does not expose Donegal to any liability greater than if a transfer of the Disposal Shares had taken place. The Settlement Agreement also provides for certain transitional governance arrangements in relation to Elst pending the making of the Initial Payment.

Under the terms of the Settlement Agreement, the Company has agreed to strike out the Proceedings as soon as reasonably possible after the Initial Payment has been paid in full by the Elst Majority Shareholders. In addition, each of the parties has agreed that neither party shall have any further claims against the other arising out of or connected with the Proceedings or otherwise and that performance of the Settlement Agreement shall constitute full and final settlement of all outstanding matters between the parties.

6. USE OF PROCEEDS

The Company will consider, subject to the requirements of the group’s businesses, returning some or all of the proceeds of the Disposal to its Shareholders.

7. COMPLETION OF THE DISPOSAL

The Disposal is conditional upon the passing of the Resolution set out in the Notice. If the terms of settlement are approved by Donegal Shareholders, the Settlement Agreement provides that Disposal would occur on or prior to 15 February 2018.

8. EXTRAORDINARY GENERAL MEETING

A notice convening an Extraordinary General Meeting of Donegal to be held at the The Silver Tassie Hotel, Ballymaleel, Ramelton Road, Letterkenny, Co Donegal on 27 November 2017 at 11:00am, is set out on page 14 of this Circular (the “**Notice**”). At the EGM, Shareholders will be asked to approve the Resolution. The Resolution is an ordinary resolution of the Company which requires the approval of a simple majority of votes cast in person or by proxy at the EGM in order to be passed.

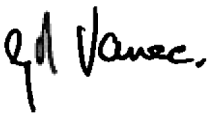
9. ACTION TO BE TAKEN

Whether or not you intend to be present at the EGM, you are requested to complete and return the relevant Form of Proxy as soon as possible and in any event so as to be received by the Registrar Computershare Investor Services (Ireland) Ltd, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, D18 Y2X6, Ireland to arrive by no later than 11:00am on 25 November 2017. Completion and return of a Form of Proxy will not preclude you from attending and voting at the EGM should you so wish.

10. RECOMMENDATION

The Directors consider the passing of the Resolution proposed at the EGM and the Disposal to be in the best interests of Donegal and its Shareholders as a whole and, accordingly unanimously recommend that you vote in favour of the Resolution. Furthermore, the Directors will vote in favour of the Resolution in respect of their aggregate shareholdings of 490,436 Ordinary Shares representing approximately 5.06 per cent of the issued share capital of Donegal on the date of this document.

Yours sincerely,

A handwritten signature in black ink, appearing to read "G. Vance", written in a cursive style.

Geoffrey Vance
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

Donegal Investment Group plc

(Registered in the Republic of Ireland, Registered Number 162921)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Donegal Investment Group plc (“**Donegal**”) will be held at The Silver Tassie Hotel, Ballymaleel, Ramelton Road, Letterkenny, Co. Donegal on 27 November 2017 to commence at 11:00am to consider and, if thought fit, pass the following Resolution as an ordinary resolution of Donegal:

Business of the Meeting

1. That the Disposal of the Disposal Shares by Donegal, as defined and more particularly described in the circular sent to Shareholders dated 10 November 2017 (the “**Circular**”), on the terms and subject to the conditions of the Settlement Agreement (as defined in the Circular), being a disposal resulting in a fundamental change of business of Donegal for the purposes of Rule 15 of the ESM Rules and the terms of the sale of the Disposal Shares as set out in the Settlement Agreement, each be and are hereby approved.

BY ORDER OF THE BOARD

Geoffrey Vance
Chairman

Registered Office:
Ballyraine
Letterkenny
Co Donegal
F92 H688

Dated: 10 November 2017.

Notes:

1. Any member entitled to attend and vote at the meeting is entitled to appoint a proxy (who need not be a member of Donegal) to attend, speak and vote in his/her place. A Form of Proxy is enclosed with this Notice. Completion and return of a Form of Proxy will not affect the right of a member to attend, speak and vote at the meeting in person.
2. To be valid, Forms of Proxy duly signed together with the power of attorney or such other authority (if any) under which they are signed (or a certified copy of such power or authority) must be lodged with Donegal's registrar, Computershare Investor Services (Ireland) Ltd, Heron House, Corrig Road, Sandyford Industrial Estate, Dublin 18, D18 Y2X6 to arrive by no later than 11:00am on 25 November 2017.
3. Donegal, pursuant to section 1095 of the Companies Act 2014, specifies that only those shareholders registered in the register of members of Donegal as at 6.00pm on 24 November 2017 (or in the case of an adjournment as at 6.00pm on the day which is two days before the date of the adjourned meeting) shall be entitled to attend and vote at the meeting in respect of the number of shares registered in their names at that time. Changes to entries in the register after that time will be disregarded in determining the right of any person to attend and/or vote at the meeting.

