

Donegal Investment Group plc

(Registered in Ireland No.162921)

Frequently Asked Questions (FAQs) in connection with the Migration

The FAQs set out below are general summaries only. They highlight only some of the information that is set out in full in the Circular and may not contain all the information that is important to you. Accordingly, you should read carefully and, as such, you should read the full contents of the Circular before deciding what action to take. In particular Part 1B (Summary of Certain Key Aspects of the Migration) and Part 2 (Questions and Answers in relation to the Migration) of the Circular summarise key aspects of the Migration in greater detail than presented below. If you are in any doubt as to the action you should take, you are recommended to consult your independent professional personal adviser, who is authorised or exempted under the European Union (Markets in Financial Instruments) Regulations 2017 (as amended) or the Investment Intermediaries Act 1995 (as amended), if you are resident in Ireland, or who is authorised under the Financial Services and Markets Act 2000 (as amended), if you are resident in the United Kingdom, or from another appropriate authorised independent financial adviser if you are in a territory outside Ireland or the United Kingdom. The contents of these FAQs and the Circular should not be construed as legal, business, accounting, tax, investment or other professional advice. All capitalised terms in these FAQs have the same meanings as in the Circular.

1 What is the Migration?

As a result of Brexit, electronic settlement of trades in Irish listed companies' shares must move from the CREST system to an EU-based settlement system. The Irish Stock Exchange plc (trading as Euronext Dublin) has selected the Euroclear System (based in Belgium) as the replacement system and it is planned that the Irish market will migrate to that system in March 2021.

For Shareholders in Donegal, this involves the movement of all uncertificated Shares held on the Migration Record Date from the CREST System to the Euroclear System. Afterwards, there will be a single nominee shareholder recorded as holding all of these Shares in the Company's Register of Members. Details of the implications of the Migration for Shareholders are set out in the Circular.

2 What will happen if the Resolutions are not approved?

If the Resolutions are not passed at the EGM and the Company does not participate in the Migration, Shareholders will no longer be able to settle trades in the Shares electronically and the Shares will no longer be eligible for trading on the Euronext Growth market of Euronext Dublin.

The Company believes that a failure to implement the Migration would have a material adverse impact on the relative attractiveness of the Shares for investors, and would put at risk the continued admission to trading and listing of the Shares and the ease of trading and settlement of transactions in Shares in future.

3 How do I vote at the EGM?

You are encouraged to complete, sign and return the Form of Proxy to vote on the Resolutions in one of the ways explained in the Form of Proxy. As Shareholders are requested not to attend the meeting, you are requested to appoint the Chairman as your proxy to vote at your direction.

Any further actions that you may take/wish to take will depend on whether you hold or will continue to hold, your Shares in certificated form or in uncertificated form. These possible actions are set out in the Circular.

4 If the Resolutions are approved, when will the Migration occur?

The Migration is expected to occur in mid-March 2021. It is currently expected that the Live Date will be 15 March 2021.

5 What is the recommendation of the Board?

The Board of Directors believes that the Resolutions are in the best interests of the Company and its Shareholders as a whole and the Board of Directors unanimously recommends that you vote in favour of each Resolution, as they intend to do so themselves in respect of all of the Shares held or beneficially owned by them (being, as at the Latest Practicable Date, in aggregate 235,921 Shares representing approximately 8.15% of the issued ordinary Share capital of the Company).

6 Who do I contact if I have a query?

If you have any questions about the action you should take as a result of the receipt of the Circular, you should contact your stockbroker, bank or other appropriately authorised independent advisor in the first instance.

If you have any questions about the Circular, the Migration or the EGM, or are in any doubt as to how to complete the Form of Proxy, you can contact the Company Secretary on + 353 74 9121766. Lines are open from 9.00 a.m. to 4.30 p.m. Monday to Friday, excluding bank holidays in Ireland. Please note that calls may be monitored or recorded, and the Company Secretary cannot provide legal, tax or financial advice or advice on the merits of the Migration or the Resolutions.