

Dated 18 November 2020

**Intact Financial Corporation**

and

**Tryg A/S**

and

**Regent Bidco Limited**

and

**RSA Insurance Group plc**

**CO-OPERATION AGREEMENT**

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**THIS AGREEMENT is made on 18 November 2020**

BETWEEN:

1. Intact Financial Corporation, a company incorporated in Canada under the Canada Business Corporations Act whose registered office is at 700 University Avenue, Toronto, Canada ("**Intact**");
2. Regent Bidco Limited, a company incorporated in England and Wales whose registered office is at 1 Bartholomew Lane, London, United Kingdom, EC2N 2AX with registered number 12998759 ("**BidCo**");
3. Tryg A/S a company incorporated in Denmark with its registered office at Klausdalsbrovej 601, 2750 Ballerup, Denmark and whose CVR number is 26460212 ("**Tryg**");

AND

4. RSA Insurance Group plc, a public limited company incorporated in England whose registered office is at 20 Fenchurch Street, London, EC3M 3AU, England and whose company number is 02339826 (the "**Target**"),

together referred to as the "**parties**" and each as a "**party**", and Intact, BidCo and Tryg together referred to as the "**Bidders**" and each as a "**Bidder**".

**WHEREAS:**

- (A) The Bidders intend to announce a firm intention to make a recommended offer for the entire issued and to be issued share capital of the Target (the "**Transaction**") on the terms and subject to the conditions set out in the Announcement (as defined below). Intact and Tryg are each an "offeror" for the purposes of the Code (as defined below).
- (B) It is intended that the Transaction will be carried out by the offer being made by BidCo, an indirectly wholly-owned subsidiary of Intact. The Bidders intend that certain of the businesses of the Target will, simultaneously with completion of the Transaction, be separated and initially held as a joint venture between Intact and Tryg (the "**Separation**").
- (C) The Transaction is intended to be effected by means of a scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**"), provided that the Bidders reserve the right, to the extent set out in the Announcement and this Agreement, to elect to implement the Transaction by way of an Offer (as defined below).
- (D) The parties have agreed to take certain steps to effect the completion of the Transaction and wish to enter into this Agreement to record their respective obligations relating to such matters.

**THE PARTIES AGREE** as follows:

**1. Interpretation**

1.1 In this Agreement each of the following words and expressions shall have the following meanings:

**“Announcement”** means the announcement to be released by the Bidders and the Target pursuant to Rule 2.7 of the Code in relation to the Transaction, in the agreed form set out in Schedule 2;

**“BidCo Merger Control Conditions”** means the Merger Control Conditions (excluding the Danish Merger Control Condition) to the extent that a member of Intact’s Group has, according to applicable Law, sole responsibility with respect to the Bidders for making the relevant filing, notification or submission to the relevant Regulatory Authority, which the parties currently understand include the Conditions set out in paragraphs 3(a) and 3(b) of Appendix 1 to the Announcement;

**“BidCo Regulatory Conditions”** means the Regulatory Conditions to the extent that a member of Intact’s Group has, according to applicable Law, sole responsibility with respect to the Bidders for making the relevant filing, notification or submission to the relevant Regulatory Authority, which the parties currently understand include the Conditions set out in paragraphs 3(e), (f), (g), (i), (j), (k), (m), (n), (o), (p), (q) and (r) of Appendix 1 to the Announcement;

**“Business Day”** means any day, other than a public holiday, Saturday or a Sunday, when banks are generally open in London, Toronto and Copenhagen for general banking business;

**“Canada Holdco”** means 2283485 ALBERTA LTD, a private limited company incorporated in Alberta, Canada whose registered office is at 1200, 321 – 6th Avenue S.W. Calgary, Alberta T2P 3H3 with corporate access number 2022834853;

**“Clean Team Agreement”** means the arrangements established pursuant to the clean team agreement

	amongst Intact, Tryg and the Target dated 30 October 2020;
<b>“Code”</b>	means the City Code on Takeovers and Mergers as issued from time to time by or on behalf of the Panel;
<b>“Companies Act”</b>	means the Companies Act 2006;
<b>“Conditions”</b>	means the conditions to the Transaction as set out in Appendix 1 to the Announcement and <b>“Condition”</b> shall be construed accordingly;
<b>“Confidentiality Agreement”</b>	means the confidentiality letter agreement entered into amongst the Target, Intact and Tryg dated 9 October 2020;
<b>“Consideration”</b>	means the consideration payable to the Target Shareholders pursuant to the terms of the Transaction and as set out in the Announcement;
<b>“Court Meeting”</b>	means the meeting of the Target Shareholders (and any adjournment thereof) convened pursuant to section 896 of the Companies Act for the purpose of considering and, if thought fit, approving (with or without modification) the Scheme;
<b>“Court”</b>	means the High Court of Justice in England and Wales;
<b>“Danish Merger Control Condition”</b>	means Regulatory Clearance from the Danish Competition and Consumer Authority to satisfy the Conditions set out at paragraphs 3(c)(ii) or 3(d)(i) of Appendix 1 to the Announcement or, to the extent the Transaction has been referred to the European Commission in whole or in part by the Danish Competition and Consumer Authority, Regulatory Clearance from the European Commission to satisfy the Condition set out in paragraph 3(c)(i) of Appendix 1 to the Announcement;
<b>“Effective Date”</b>	means the date upon which either: <ul style="list-style-type: none"> <li>(i) the Scheme becomes effective in accordance with its terms; or</li> <li>(ii) if the Bidders elect to implement the Transaction by means of an Offer in</li> </ul>

accordance with the terms of this Agreement, the Offer becomes or is declared unconditional in all respects;

<b>“GDPR”</b>	means the General Data Protection Regulation (EU/2016/679);
<b>“Group”</b>	in relation to any entity, that entity and any of its group undertakings (group undertakings having the meaning given to it in section 1161 of the Companies Act 2006);
<b>“Immediately Effective Clauses”</b>	has the meaning given to it in Clause 2.1;
<b>“Indemnified Person”</b>	has the meaning given to it in Clause 8.2(A);
<b>“Initial Separation Steps”</b>	means the steps set out in the “Scheme” section of Schedule 3;
<b>“Intact Equity Placing Condition”</b>	means the Condition set out in paragraph 3(u) of Appendix 1 to the Announcement;
<b>“Interim Dividend”</b>	means the interim dividend payable to holders of Target Shares of 8 pence per Target Share announced by the Target on 15 September 2020;
<b>“Joint Merger Control Conditions”</b>	means: (i) the Danish Merger Control Condition; and (ii) any other Merger Control Condition which members of both Intact’s Group and Tryg’s Group have, according to applicable Law, joint responsibility (or a member of each of Intact’s Group and Tryg’s Group has, according to applicable Law, a separate responsibility) with respect to the Bidders for making the relevant filing, notification or submission to the relevant Regulatory Authority;
<b>“Joint Regulatory Conditions”</b>	means the Regulatory Conditions other than the BidCo Regulatory Conditions, which the parties currently understand include the Conditions set out in paragraphs 3(h) and 3(l) of Appendix 1 to the Announcement;
<b>“Law”</b>	means any applicable laws, statutes, common law, rules, ordinances, binding guidance, regulations, codes, orders, judgments, injunctions, writs, decrees, directives, governmental guidelines, written directions of any Regulatory Authority in respect of a matter

	for which that Regulatory Authority has competence, any applicable supervisory statements, or interpretations having the force of law or bylaws;
<b>“Long Stop Date”</b>	means 18 November 2021, or such later date as may be agreed by the parties in writing (and if, required, with the Panel's consent and/or the Court's approval);
<b>“MAR”</b>	means the Market Abuse Regulation (EU/596/2014) (as applicable in the EU);
<b>“Merger Control Conditions”</b>	means: <ul style="list-style-type: none"> <li>(i) the Conditions set out in paragraphs 3(a) to 3(d) to Appendix 1 to the Announcement; and</li> <li>(ii) the Conditions set out in paragraphs 3(w) and 3(x) of Appendix 1 to the Announcement to the extent they relate to any antitrust, competition or merger control laws or regulations (whether national, federal, state, provincial, local or otherwise) and the relevant Third Party (as defined in the Announcement) is a Regulatory Authority;</li> </ul>
<b>“Nasdaq Copenhagen”</b>	means Nasdaq Copenhagen A/S;
<b>“Notice”</b>	has the meaning given to it in Clause 14.1;
<b>“Offer Document”</b>	means the offer document published by or on behalf of the Bidders in connection with any Offer, including any revised offer document;
<b>“Offer”</b>	means in the event that the Bidders, subject to the terms of this Agreement, implement the Transaction by means of a takeover offer within the meaning of section 974 of the Companies Act, such offer, including any subsequent revision, amendment, variation, extension or renewal;
<b>“Panel”</b>	means the UK Panel on Takeovers and Mergers;
<b>“Proceeding”</b>	means any civil, criminal or administrative claim, hearing, action, arbitration, litigation,

suit, demand, investigation or other proceeding;

**“Prudential Regulation Authority”**

means the UK Prudential Regulation Authority and any successor body with responsibility for the prudential supervision of insurance undertakings;

**“Regulatory Authority”**

means any central bank, ministry, governmental, quasi-governmental, supranational, statutory, regulatory or investigative body or agency or authority, exercising anti-trust or competition or merger control, foreign investment review, regulatory (including without limitation financial regulatory), taxing, importing or other authority, in any relevant jurisdiction, including, for the avoidance of doubt, the Panel and the Prudential Regulation Authority;

**“Regulatory Clearances”**

means all approvals, consents, clearances, permissions, confirmations, letters of non-objection, comfort letters and waivers, rule modifications or variations of permissions that may need to be obtained, all filings that may need to be made and all waiting periods that may need to have expired, from or under any Laws or practices applied by any Regulatory Authority (or under any agreements or arrangements to which any Regulatory Authority is a party), in each case that are necessary and/or expedient to satisfy one or more of the Regulatory Conditions, the Merger Control Conditions, the Intact Equity Placing Condition or the Tryg Rights Issue Conditions;

**“Regulatory Conditions”**

means:

- (i) the Conditions set out in paragraphs 3(e) to 3(r) of Appendix 1 to the Announcement; and
- (ii) the Conditions set out in paragraphs 3(w) and 3(x) of Appendix 1 to the Announcement to the extent the relevant Third Party (as defined in the Announcement) is a Regulatory Authority and to the extent they are not Merger Control Conditions;

<b>“Regulatory Information Service”</b>	means an information service authorised from time to time by the Financial Conduct Authority for the purpose of disseminating regulatory announcements;
<b>“Re-registration”</b>	means the re-registration of the Target as a private limited company in order to satisfy the Re-registration Condition;
<b>“Re-registration Condition”</b>	means the Condition set out in paragraph 3(v) of Appendix 1 to the Announcement;
<b>“Scandi JVCo”</b>	Scandi JVCo A/S, a company incorporated in Denmark whose registered office is at Klausdalsbrovej 601, DK-2750 Ballerup, with registered number 41 85 33 01;
<b>“Scandi JVCo2”</b>	Scandi JVCo 2 A/S, a company incorporated in Denmark whose registered office is at Klausdalsbrovej 601, DK-2750 Ballerup, with registered number 41 85 32 71;
<b>“Scheme Conditions”</b>	means those Conditions set out in paragraph 2 of Appendix 1 to the Announcement;
<b>“Scheme Document”</b>	means the document addressed to the Target Shareholders containing, <i>inter alia</i> , details of the Transaction and the Target GM;
<b>“Scheme Hearing”</b>	means the Court hearing to sanction the Scheme under section 899 of the Companies Act, at which the Scheme Order is expected to be granted;
<b>“Scheme Order”</b>	means the order of the Court sanctioning the Scheme pursuant to section 899 of the Companies Act;
<b>“Scheme”</b>	has the meaning given to it in Recital (C);
<b>“Scheme Record Time”</b>	has the meaning given to it in the Announcement;
<b>“Separation”</b>	has the meaning given to it in Recital (B);
<b>“Separation Agreements”</b>	means: (i) the Separation Agreement entered into amongst Intact, BidCo, Tryg, Scandi JVCo and Scandi JVCo2 on the date of this Agreement and any agreements entered into pursuant to that (including the agreements scheduled to it); (ii) the Collaboration

Agreement entered into amongst Intact, BidCo and Tryg on the date of this Agreement and any agreements entered into pursuant to that; and (iii) the sale and purchase agreement between Canada Holdco and Tryg in respect of shares in Scandi JVCo;

**“Service Document”**

means a claim form, application notice, order, judgment or other document relating to any proceedings, suit or action;

**“Subsidiary”**

means in relation to any entity, any subsidiary (as defined in section 1159 of the Companies Act) or subsidiary undertaking (as defined in section 1162 of the Companies Act) of that entity;

**“Target Board Adverse Recommendation Change”**

means:

- (a) if the Target makes an announcement prior to the publication of the Scheme Document or (if different) the document convening the Target GM that: (i) the Target Directors no longer intend to recommend the Transaction or intend to modify or qualify their recommendation of the Transaction; (ii) it will not convene the Court Meeting or the Target GM; or (iii) it intends not to post the Scheme Document or (if different) the document convening the Target GM;
- (b) the Target Board Recommendation is not included in the Scheme Document or (if different) the document convening the Target GM, when published;
- (c) if the Target makes an announcement that it will delay the convening of, or will adjourn the Court Meeting or the Target GM, in each case without the consent of the Bidders; or
- (d) the Target Directors withdraw, modify or qualify the Target Board Recommendation,

provided that, for the avoidance of doubt, the issue of any holding statement by the Target following a change of circumstances shall not constitute a Target Board Adverse

Recommendation Change so long as any such holding statement (i) contains an express statement that the Target Board Recommendation is not withdrawn, modified or qualified and (ii) does not contain a statement that the Target Directors intend to withdraw, modify or qualify the Target Board Recommendation;

**“Target Board Recommendation”**

means a unanimous, unconditional and unqualified recommendation from the Target Directors to the Target Shareholders in respect of the Transaction:

- (a) to vote in favour of the Scheme and the Target GM Resolutions; or
- (b) if the Bidders elect to implement the Transaction by means of an Offer in accordance with the terms of this Agreement, to accept the Offer;

**“Target Directors”**

means the directors of the Target from time to time and **“Target Director”** shall be construed accordingly;

**“Target GM Resolutions”**

means the shareholder resolutions as are necessary to approve, implement and effect the Scheme, including, among other things, the resolutions relating to the alteration of the Target’s articles of association and the delisting of the Target Shares;

**“Target GM”**

means the general meeting of Target Shareholders to be convened to consider, and if thought fit, pass, the Target GM Resolutions;

**“Target Group”**

means the Target and its Group and **“member of the Target Group”** shall be construed accordingly;

**“Target Representative”**

has the meaning given to it in Clause 13.4;

**“Target Share Plans”**

has the meaning given to it in Schedule 1;

**“Target Shareholders”**

means holders of Target Shares;

**“Target Shares”**

means the existing unconditionally allotted or issued and fully paid ordinary shares of 100p each in the capital of the Target and any further shares which are unconditionally

	allotted or issued before the Transaction becomes effective but excluding in both cases any such shares held or which become held in treasury;
<b>“Third Party Rights Provisions”</b>	has the meaning given to it in Clause 23.1;
<b>“Transaction”</b>	has the meaning given to it in Recital (A);
<b>“Tryg Board Recommendation”</b>	means the following statement: “Tryg's Supervisory Board supports the Transaction and recommends the Tryg Shareholders to vote in favour of and approve the authorisation to the Tryg Supervisory Board to increase the share capital of Tryg and the other proposals put forward by the Tryg Supervisory Board”, which shall not be qualified or conditioned in any way;
<b>“Tryg Foundation”</b>	has the meaning given to it in the Announcement;
<b>“Tryg GM”</b>	means the extraordinary general meeting of Tryg Shareholders to be convened to consider and, if thought fit, pass, inter alia, the resolutions in relation to the Tryg Rights Issue and certain related amendments to be made to the articles of association of Tryg (including the Tryg Shareholder Resolution), including any adjournment of that meeting;
<b>“Tryg Merger Control Conditions”</b>	means the Merger Control Conditions (excluding the Danish Merger Control Condition) to the extent that a member of Tryg's Group has, according to applicable Law, sole responsibility with respect to the Bidders for making the relevant filing, notification or submission to the relevant Regulatory Authority, which the parties currently understand include the Conditions set out in paragraphs 3(d)(ii) and 3(d)(iii) of Appendix 1 to the Announcement;
<b>“Tryg Prospectus”</b>	means the prospectus to published by Tryg in relation to the Tryg Rights Issue (including any supplementary prospectus);
<b>“Tryg Rights Issue”</b>	means the rights issue to be launched by Tryg to Tryg Shareholders to acquire new Tryg ordinary shares in order to part-fund the

	Transaction, as described in paragraph 12 of the Announcement;
<b>“Tryg Rights Issue Conditions”</b>	means the Conditions set out in paragraphs 3(s) and 3(t) of Appendix 1 to the Announcement;
<b>“Tryg Shareholder Notice”</b>	means the circular to be sent to the Tryg Shareholders containing notice of the Tryg GM seeking approval of the Tryg Shareholder Resolution (including any supplementary circular);
<b>“Tryg Shareholder Rights Issue Irrevocable”</b>	means the irrevocable undertaking from the Tryg Foundation entered into on or around the date of this Agreement in favour of Tryg, Morgan Stanley & Co. International plc and Danske Bank A/S in relation to the Tryg Foundation’s rights pursuant to the Tryg Rights Issue, further described in paragraph 7 of the Announcement;
<b>“Tryg Shareholder Voting Irrevocable”</b>	means the irrevocable voting undertaking from the Tryg Foundation entered into on or around the date of this Agreement in favour of Tryg, BidCo, Intact, the Target, Morgan Stanley & Co. International plc and Danske Bank A/S, further described in paragraph 7 of the Announcement;
<b>“Tryg Shareholder Resolution”</b>	means a shareholders resolution adopting an authority for the board of directors of Tryg to issue Tryg Shares up to a maximum nominal value of DKK 36,980,000,000 at a price per share of not less than par value;
<b>“Tryg Shareholders”</b>	means holders of the shares in the capital of Tryg from time to time; and
<b>“VAT”</b>	means value added tax as provided for in the Value Added Tax Act 1994 and regulations made thereunder and shall include any other tax of a similar nature which is introduced in substitution for or in addition to such tax and any equivalent tax in any other jurisdiction.

1.2 In this Agreement, except where the context otherwise requires:

- (A) references to clauses, paragraphs and Schedules are to clauses and paragraphs of, and Schedules to, this Agreement;

- (B) the expressions “**subsidiary**” and “**subsidiary undertaking**” shall have the meanings given in the Companies Act;
- (C) the expressions “**acting in concert**” and “**offer**” shall have the meanings given in the Code;
- (D) a reference to any statute or statutory provision shall be construed as a reference to the same as it may have been, or may from time to time be, amended, modified or re-enacted and shall include any subordinate legislation made from time to time under that statute or statutory provision;
- (E) references to a “**person**” shall be construed so as to include any individual, firm, company, corporation, body corporate, government, state or agency of a state, local or municipal authority or government body or any joint venture, association or partnership (whether or not having separate legal personality);
- (F) any reference to a “**day**” (including the phrase “**Business Day**”) shall mean a period of 24 hours running from midnight to midnight;
- (G) references to times are to London time;
- (H) references to “**£**” and “**pounds sterling**” are to the lawful currency of England;
- (I) references to “**writing**” shall include any modes of reproducing words in a legible and non transitory form and shall include email except where otherwise expressly stated;
- (J) references to any English legal term for any action, remedy, method of judicial proceeding, legal document, legal status, court, official, or any legal concept or thing shall in respect of any jurisdiction other than England be deemed to include what most nearly approximates in that jurisdiction to the English legal term;
- (K)
  - (i) the rule known as the *ejusdem generis* rule shall not apply and accordingly general words introduced by the word “other” shall not be given a restrictive meaning by reason of the fact that they are preceded by words indicating a particular class of acts, matters or things; and
  - (ii) general words shall not be given a restrictive meaning by reason of the fact that they are followed by particular examples intended to be embraced by the general words;
- (L) the phrases “to the extent” and “to the extent that” are used to indicate an element of degree and are not synonymous with the word “if”.
- (M) all headings and titles are inserted for convenience only and are to be ignored in the interpretation of this Agreement;
- (N) the Schedules form part of this Agreement and shall have the same force and effect as if expressly set out in the body of this Agreement, and any reference to this Agreement shall include the Schedules;

- (O) a reference to any other document referred to in this Agreement is a reference to that other document as amended or supplemented at any time; and
- (P) references to this Agreement include this Agreement as amended or supplemented in accordance with its terms.

## 2. **Publication of the Announcement and the terms of the Transaction**

- 2.1 The obligations of the parties under this Agreement, other than Clause 1, this Clause 2.1 and Clauses 10 to 25 (the “**Immediately Effective Clauses**”) shall be conditional on the release of the Announcement via a Regulatory Information Service by the parties (or, if released outside opening hours for the Regulatory Information Service in the UK, in accordance with DTR 1.3.6) at or before 6.30 p.m. on the date of this Agreement, or such later date and time as the parties may agree (and, where required by the Code, the Panel may approve). The Immediately Effective Clauses shall take effect on and from execution of this Agreement.
- 2.2 The terms of the Transaction shall be as set out in the Announcement, together with such other terms as may be agreed by the parties in writing (save in the case of an improvement to the terms of the Transaction, which shall be at the sole discretion of the Bidders) and, where required by the Code, approved by the Panel. The terms of the Transaction at the date of posting of the Scheme Document shall be set out in the Scheme Document. Should the Bidders elect to implement the Transaction by way of an Offer in accordance with Clause 3, the terms of the Transaction shall be set out in the announcement of the switch to an Offer and in the Offer Document.
- 2.3 The Bidders agree that the Target will be entitled to declare and pay the Interim Dividend and that the payment or receipt of the Interim Dividend shall not affect or reduce the Consideration in any way.

## 3. **Structure of the Transaction**

The parties intend to implement the Transaction by means of the Scheme. The Bidders shall not implement the Transaction by way of an Offer without the prior written consent of the Target.

## 4. **Regulatory Clearances**

### *Merger Control Conditions*

- 4.1 Subject to Clause 4.3, but otherwise notwithstanding any other provision of this Agreement, and except where otherwise required by applicable Law or a Regulatory Authority, Intact and BidCo undertake (in respect of the BidCo Merger Control Conditions and the Joint Merger Control Conditions) to take, and to procure that their Group shall take, all such actions as may be necessary to ensure the satisfaction of the BidCo Merger Control Conditions and the Joint Merger Control Conditions in sufficient time so as to enable the Effective Date to occur prior to the Long Stop Date. Without prejudice to the generality of the foregoing, this shall include that, in respect of the BidCo Merger Control Conditions and the Joint Merger Control Conditions, Intact and BidCo shall:
  - (A) accept the imposition of, or offer (and not withdraw), any conditions, obligations, undertakings, commitments, measures or modifications, including, without

limitation, carrying out disposals of the Target's business in order to satisfy any of the BidCo Merger Control Conditions or the Joint Merger Control Conditions prior to the Long Stop Date;

- (B) defend any Proceeding (including any Proceeding seeking a temporary restraining order or preliminary injunction) and initiate any appropriate Proceeding against any Regulatory Authority which acts, seeks, proposes or threatens to prevent, delay or impair the consummation of the Transaction (or any part of it); and
- (C) take all steps reasonably necessary to avoid: (i) any declaration of incompleteness by any Regulatory Authority, and (ii) any suspension of any review period by a Regulatory Authority.

4.2 Subject to Clause 4.3, but otherwise notwithstanding any other provision of this Agreement, and except where otherwise required by applicable Law or a Regulatory Authority, Tryg undertakes (in respect of the Tryg Merger Control Conditions and the Joint Merger Control Conditions) to take, and to procure that its Subsidiaries shall take, and to procure, to the extent within its control, that the rest of its Group shall take, all such actions as may be necessary to ensure the satisfaction of the Tryg Merger Control Conditions and the Joint Merger Control Conditions in sufficient time so as to enable the Effective Date to occur prior to the Long Stop Date. Without prejudice to the generality of the foregoing, this shall include that, in respect of the Tryg Merger Control Conditions and the Joint Merger Control Conditions, Tryg shall:

- (A) accept the imposition of, or offer (and not withdraw), any conditions, obligations, undertakings, commitments, measures or modifications, including, without limitation, carrying out disposals of the Target's business in order to satisfy any of the Tryg Merger Control Conditions or the Joint Merger Control Conditions prior to the Long Stop Date;
- (B) defend any Proceeding (including any Proceeding seeking a temporary restraining order or preliminary injunction) and initiate any appropriate Proceeding against any Regulatory Authority which acts, seeks, proposes or threatens to prevent, delay or impair the consummation of the Transaction (or any part of it); and
- (C) take all steps reasonably necessary to avoid: (i) any declaration of incompleteness by any Regulatory Authority, and (ii) any suspension of any review period by a Regulatory Authority.

4.3 Nothing in Clauses 4.1 or 4.2 shall require the Bidders to, or to procure their Groups to, commit to the disposal of:

- (A) any entity or business which, prior to the Effective Date, constitutes part of the Bidders' Groups in order to satisfy any Merger Control Condition; or
- (B) the entirety of the Target Group's business in each of Sweden and/or Norway in order to satisfy the Danish Merger Control Condition.

- 4.4 The Bidders shall, prior to the Effective Date, use reasonable endeavours to prepare to effect the separation of the Target Group's businesses in Norway and Sweden from the Target Group's business in Denmark as soon as possible after the Effective Date.

*Other Conditions*

- 4.5 Intact and BidCo undertake, in respect of the BidCo Regulatory Conditions and the Joint Regulatory Conditions, to use, and to procure that their Group shall use, reasonable efforts to ensure the satisfaction of the BidCo Regulatory Conditions and the Joint Regulatory Conditions in sufficient time so as to enable the Effective Date to occur prior to the Long Stop Date.
- 4.6 Tryg undertakes, in respect of the Joint Regulatory Conditions, to use, and to procure that its Subsidiaries shall use, and to the extent within its control, the rest of its Group shall use, reasonable efforts to ensure the satisfaction of the Joint Regulatory Conditions in sufficient time so as to enable the Effective Date to occur prior to the Long Stop Date.

*Regulatory Processes*

- 4.7 Without prejudice to Clauses 4.1 and 4.5, in respect of the BidCo Merger Control Conditions, the BidCo Regulatory Conditions and the Intact Equity Placing Condition, Intact and BidCo shall:
- (A) after prior consultation with the Target, and after taking into consideration the Target's reasonable comments, determine the strategy to be pursued for obtaining the relevant Regulatory Clearances;
  - (B) submit to the Relevant Regulatory Authorities (in draft or in final form, as is most appropriate or conducive to an expedient determination), with the assistance of the Target and Tryg in accordance with this Agreement, any filings, notifications or submissions as are necessary (or BidCo determines (acting reasonably and in good faith) are advisable) in connection with the relevant Regulatory Clearances promptly after the signing of this Agreement and within any applicable mandatory time periods and respond to any supplemental inquiries and file any additional information requested by a Regulatory Authority in connection therewith as soon as practicable after receipt of such request;
  - (C) maintain appropriate regular and ongoing dialogue with the Relevant Regulatory Authorities in order to monitor and ensure the prompt progress of any filings, notifications or submissions and offer such assistance and input as may be reasonably necessary to assist the Relevant Regulatory Authorities to consider and progress the relevant Regulatory Clearances; and
  - (D) be responsible for the payment of all filing fees required in connection with the relevant Regulatory Clearances, including, for the avoidance of doubt, their costs of preparing any such filings, notifications or submissions.
- 4.8 Without prejudice to Clauses 4.2 and 4.6, in respect of the Tryg Merger Control Conditions, and the Tryg Rights Issue Conditions, Tryg shall:

- (A) after prior consultation with the Target, and after taking into consideration the Target's reasonable comments, determine the strategy to be pursued for obtaining the relevant Regulatory Clearances;
- (B) submit to the Relevant Regulatory Authorities (in draft or in final form, as is most appropriate or conducive to an expedient determination), with the assistance of the Target, Intact and BidCo in accordance with this Agreement, any filings, notifications or submissions as are necessary (or Tryg determines (acting reasonably and in good faith) are advisable) in connection with the relevant Regulatory Clearances promptly after the signing of this Agreement and within any applicable mandatory time periods and respond to any supplemental inquiries and file any additional information requested by a Regulatory Authority in connection therewith as soon as practicable after receipt of such request;
- (C) maintain appropriate regular and ongoing dialogue with the Relevant Regulatory Authorities in order to monitor and ensure the prompt progress of any filings, notifications or submissions and offer such assistance and input as may be reasonably necessary to assist the Relevant Regulatory Authorities to consider and progress the relevant Regulatory Clearances; and
- (D) be responsible for the payment of all filing fees required in connection with the relevant Regulatory Clearances, including, for the avoidance of doubt, their costs of preparing any such filings, notifications or submissions.

4.9 Without prejudice to Clauses 4.1, 4.2, 4.5 and 4.6, in respect of the Joint Merger Control Conditions and the Joint Regulatory Conditions, the Bidders shall:

- (A) after prior consultation with the Target, and after taking into consideration the Target's reasonable comments, determine the strategy to be pursued for obtaining the relevant Regulatory Clearances;
- (B) submit to the Relevant Regulatory Authorities (in draft or in final form, as is most appropriate or conducive to an expedient determination), with the assistance of the Target in accordance with this Agreement, any filings, notifications or submissions as are necessary (or BidCo and Tryg determine (acting reasonably and in good faith) are advisable) in connection with the relevant Regulatory Clearances promptly after the signing of this Agreement and within any applicable mandatory time periods and respond to any supplemental inquiries and file any additional information requested by a Regulatory Authority in connection therewith as soon as practicable after receipt of such request;
- (C) maintain appropriate regular and ongoing dialogue with the Relevant Regulatory Authorities in order to monitor and ensure the prompt progress of any filings, notifications or submissions and offer such assistance and input as may be reasonably necessary to assist the Relevant Regulatory Authorities to consider and progress the relevant Regulatory Clearances; and
- (D) be responsible for the payment of all filing fees required in connection with the relevant Regulatory Clearances, including, for the avoidance of doubt, their costs of preparing any such filings, notifications or submissions.

4.10 Save to the extent prohibited by applicable Law or a Regulatory Authority, the Target undertakes to the Bidders that it shall provide, as soon as reasonably practicable:

- (A) all such information relating to the Target Group as may reasonably be required by the Bidders (or their legal advisers), to finally determine in which jurisdictions any merger control, regulatory or other similar filing, notification or submission with a Regulatory Authority may be necessary for the purposes of obtaining the Regulatory Clearances in respect of the Merger Control Conditions or the Regulatory Conditions;
- (B) all such information relating to the Target Group as may reasonably be required for inclusion in any filings, notifications or submissions to any Regulatory Authority for the purposes of obtaining the Regulatory Clearances in respect of the Merger Control Conditions or the Regulatory Conditions or for inclusion in any responses to any requests for further information consequent upon such filings, notifications or submissions, and shall, where required by any Regulatory Authority, submit such information directly to the Regulatory Authority; and
- (C) all such other assistance and access to its management and employees (including in connection with any pre-notification contacts with the Regulatory Authorities as BidCo and/or Tryg (as applicable, and acting in good faith) considers are necessary or appropriate in the circumstances) as may reasonably be required for the purposes of obtaining the Regulatory Clearances in respect of the Merger Control Conditions or the Regulatory Conditions.

4.11 Save to the extent prohibited by applicable Law or a Regulatory Authority, Intact and BidCo undertake that they shall provide, as soon as reasonably practicable:

- (A) all such information relating to their Group as may reasonably be required by Tryg (or its legal advisers), to finally determine in which jurisdictions any merger control, regulatory or other similar filing, notification or submission with a Regulatory Authority may be necessary for the purposes of obtaining the Regulatory Clearances in connection with the Tryg Merger Control Conditions, the Joint Merger Control Conditions or the Joint Regulatory Conditions;
- (B) all such information relating to their Group as may reasonably be required for inclusion in any filings, notifications or submissions to any Regulatory Authority for the purposes of obtaining the Regulatory Clearances in connection with the Tryg Merger Control Conditions, the Joint Merger Control Conditions or the Joint Regulatory Conditions or for inclusion in any responses to any requests for further information consequent upon such filings, notifications or submissions; and
- (C) all such other assistance (including such access to its management and employees and assistance in connection with such pre-notification contacts with the Regulatory Authorities as Tryg considers (acting in good faith) are necessary or appropriate in the circumstances) as may reasonably be required for the purposes of obtaining the Regulatory Clearances in connection with the Tryg Merger Control Conditions, the Joint Merger Control Conditions or the Joint Regulatory Conditions.

4.12 Save to the extent prohibited by applicable Law or a Regulatory Authority, Tryg undertakes that it shall provide, as soon as reasonably practicable:

- (A) all such information relating to its Group as may reasonably be required by BidCo or Intact (or their legal advisers), to finally determine in which jurisdictions any merger control, regulatory or other similar filing, notification or submission with a Regulatory Authority may be necessary for the purposes of obtaining the Regulatory Clearances in connection with the BidCo Merger Control Conditions, the BidCo Regulatory Conditions, the Joint Merger Control Conditions, the Joint Regulatory Conditions or the Intact Equity Placing Condition;
- (B) all such information relating to its Group as may reasonably be required for inclusion in any filings, notifications or submissions to any Regulatory Authority for the purposes of obtaining the Regulatory Clearances in connection with the BidCo Merger Control Conditions, the BidCo Regulatory Conditions, the Joint Merger Control Conditions or the Joint Regulatory Conditions or for inclusion in any responses to any requests for further information consequent upon such filings, notifications or submissions; and
- (C) all such other assistance (including such access to its management and employees and assistance in connection with such pre-notification contacts with the Regulatory Authorities as BidCo considers (acting in good faith) are necessary or appropriate in the circumstances) as may reasonably be required for the purposes of obtaining the Regulatory Clearances in connection with the BidCo Merger Control Conditions, the BidCo Regulatory Conditions, the Joint Merger Control Conditions, the Joint Regulatory Conditions or the Intact Equity Placing Condition;

4.13 Save to the extent prohibited by applicable Law or a Regulatory Authority, in respect of the BidCo Merger Control Conditions, the BidCo Regulatory Conditions, the Intact Equity Placing Condition, the Joint Merger Control Conditions and the Joint Regulatory Conditions, BidCo and Intact undertake to the Target to:

- (A) provide, or procure the provision of, to the Target (and/or its legal advisers) draft copies of all filings, notifications, submissions, material correspondence and material communications (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications) other than those of an administrative nature intended to be submitted, sent or communicated to any Regulatory Authority in connection with obtaining any relevant Regulatory Clearance, at such time as will allow the Target (and/or its legal advisers) reasonable opportunity to review and comment thereon;
- (B) take into consideration reasonable comments made within a reasonable timeframe (in the circumstances) by the Target, (and/or its legal advisers) on draft copies of filings, notifications, submissions, material correspondence and material communications provided pursuant to Clause 4.13(A);
- (C) as soon as reasonably practicable provide, or procure the provision of, to the Target (and/or its legal advisers) copies of all filings, notifications, submissions, material correspondence and material communications in the form finally

submitted, sent or communicated to any Regulatory Authority in connection with obtaining any relevant Regulatory Clearance (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications);

- (D) as soon as reasonably practicable notify the Target (and/or its legal advisers) of, and provide copies of, any material correspondence and material communications (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications) received from any Regulatory Authority in connection with obtaining the relevant Regulatory Clearances;
- (E) where reasonably practicable, give the Target (and/or its legal advisers) reasonable notice of any meetings (including those performed remotely by way of videoconferencing), hearings or telephone calls other than those of an administrative nature with any Regulatory Authority in connection with obtaining the relevant Regulatory Clearances and allow the Target (and/or its legal advisers) to attend and make reasonable oral submissions during any such material meetings, hearings or telephone calls and, where such attendance and participation is not permitted by applicable Law or the Regulatory Authority, to provide, to the extent so permitted, the Target with a reasonably detailed written summary of such meeting, hearing or telephone call as soon as reasonably practicable following the meeting, hearing or telephone call; and
- (F) keep the Target (and/or its legal advisers) informed as soon as reasonably practicable of developments which are material or potentially material to the obtaining of any of the relevant Regulatory Clearances.

4.14 Save to the extent prohibited by applicable Law or a Regulatory Authority, in respect of the Tryg Merger Control Conditions, the Tryg Rights Issue Conditions, the Joint Merger Control Conditions and the Joint Regulatory Conditions, Tryg undertakes to the Target to:

- (A) provide, or procure the provision of, to the Target (and/or its legal advisers) draft copies of all filings, notifications, submissions, material correspondence and material communications (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications) other than those of an administrative nature intended to be submitted, sent or communicated to any Regulatory Authority in connection with obtaining any relevant Regulatory Clearance, at such time as will allow the Target (and/or its legal advisers) reasonable opportunity to review and comment thereon;
- (B) take into consideration reasonable comments made within a reasonable timeframe (in the circumstances) by the Target, (and/or its legal advisers) on draft copies of filings, notifications, submissions, material correspondence and material communications provided pursuant to Clause 4.14(A);
- (C) as soon as reasonably practicable provide, or procure the provision of, to the Target (and/or its legal advisers) copies of all filings, notifications, submissions, material correspondence and material communications in the form finally submitted, sent or communicated to any Regulatory Authority in connection with

obtaining any relevant Regulatory Clearance (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications);

- (D) as soon as reasonably practicable notify the Target (and/or its legal advisers) of, and provide copies of, any material correspondence and material communications (including, in the case of material non-written correspondence or communications, reasonably detailed summaries of such correspondence or communications) received from any Regulatory Authority in connection with obtaining the relevant Regulatory Clearances;
- (E) where reasonably practicable, give the Target (and/or its legal advisers) reasonable notice of any meetings (including those performed remotely by way of videoconferencing), hearings or telephone calls other than those of an administrative nature with any Regulatory Authority in connection with obtaining the relevant Regulatory Clearances and allow the Target (and/or its legal advisers) to attend and make reasonable oral submissions during any such material meetings, hearings or telephone calls and, where such attendance and participation is not permitted by applicable Law or the Regulatory Authority, to provide, to the extent so permitted, the Target with a reasonably detailed written summary of such meeting, hearing or telephone call as soon as reasonably practicable following the meeting, hearing or telephone call; and
- (F) keep the Target (and/or its legal advisers) informed as soon as reasonably practicable of developments which are material or potentially material to the obtaining of any of the relevant Regulatory Clearances.

4.15 If a provision of this Agreement obliges any party (the “**disclosing party**”) to disclose any information to another:

- (A) that is personally identifiable information of a director, officer or employee of the disclosing party or any member of its Group, unless that information can reasonably be anonymised (in which case the disclosing party shall provide the relevant information on an anonymous basis);
- (B) which the disclosing party reasonably considers to be commercially or competitively sensitive;
- (C) which the disclosing party is prohibited from disclosing by applicable Law, a Regulatory Authority or the terms of an existing contract; or
- (D) where such disclosure would result in the loss of privilege that subsists in relation to such information (including legal advice privilege),

the disclosing party shall, to the extent permitted by applicable Law, disclose the relevant information to the other party:

- (i) pursuant to the Clean Team Agreement;
- (ii) where that is not reasonably possible, on an “external counsel only” basis; or

- (iii) where disclosure to the other party pursuant to the Clean Team Agreement or on an “external counsel only” basis would reasonably be expected to have a material adverse effect on the disclosing party's legitimate business interest, directly to the Regulatory Authority (and in such circumstances, the disclosing party shall provide, or procure the provision of, to the others a non-confidential version of such information).

4.16 Except with the prior written consent of the Target, until each of (i) the BidCo Merger Control Conditions; (ii) the BidCo Regulatory Conditions; (iii) the Intact Equity Placing Condition; (iv) the Joint Regulatory Conditions; (v) the Joint Merger Control Conditions; (vi) the Tryg Merger Control Conditions; and (vii) the Tryg Rights Issue Conditions, are fulfilled each of Intact and Bidco shall not, and shall procure that no member of its Group or, to the extent within its control, persons acting in concert or deemed to be acting in concert with it will, take, or omit to take, or permit or cause to be taken or omitted to be taken, any action, or amend or enter into any acquisition, transaction, or other agreement (including the Separation Agreements) which (A) would, or would be reasonably likely to have the effect of preventing, impeding, materially delaying or materially prejudicing the satisfaction of the BidCo Merger Control Conditions, the BidCo Regulatory Conditions, the Intact Equity Placing Condition, the Joint Regulatory Conditions or the Joint Merger Control Conditions or (B) it knew (or ought reasonably to have known based on the information available to it) would, or would be reasonably likely to, have the effect of preventing, impeding, materially delaying or materially prejudicing the satisfaction of the Tryg Merger Control Conditions or the Tryg Rights Issue Conditions, provided always that the reduction of the Tryg Foundation's current holding in Tryg from approximately 60% to 53% shall not require the prior written consent of the Target to the extent that such reduction was permitted by the Tryg Shareholder Voting Irrevocable.

4.17 Except with the prior written consent of the Target, until each of (i) the Tryg Merger Control Conditions; (ii) the Tryg Rights Issue Conditions; (iii) the Joint Regulatory Conditions; (iv) the Joint Merger Control Conditions; (v) the BidCo Merger Control Conditions; (vi) the BidCo Regulatory Conditions; and (vii) the Intact Equity Placing Condition are fulfilled Tryg shall not, and shall procure that none of its Subsidiaries shall, and shall procure (to the extent within its control) that no other member of its Group or persons acting in concert or deemed to be acting in concert with it shall, take, or omit to take, or permit or cause to be taken or omitted to be taken, any action, or amend, or enter into any acquisition, transaction, or other agreement (including the Separation Agreements) which (A) would, or would be reasonably likely to have the effect of preventing, impeding, materially delaying or materially prejudicing the satisfaction of the Tryg Merger Control Conditions, the Tryg Rights Issue Conditions, the Joint Regulatory Conditions or the Joint Merger Control Conditions, or (B) it knew (or ought reasonably to have known based on the information available to it) would, or would be reasonably likely to, have the effect of preventing, impeding, materially delaying or materially prejudicing the satisfaction of the BidCo Merger Control Conditions, the BidCo Regulatory Conditions or the Intact Equity Placing Condition, provided always that the reduction of the Tryg Foundation's current holding in Tryg from approximately 60% to 53% shall not require the prior written consent of the Target to the extent that such reduction was permitted by the Tryg Shareholder Voting Irrevocable.

## 5. **Tryg Rights Issue**

5.1 Tryg shall:

(A) use all reasonable endeavours to ensure that the Tryg Shareholder Notice is published and distributed as required by Tryg's articles of association and applicable Law and sent to Tryg Shareholders so as to enable the Tryg GM to be held on or by the date required by Clause 5.1(C). Without prejudice to the preceding parts of this Clause 5.1(A) or to Clause 5.1(C), if the Tryg Shareholder Notice is not published and distributed as required by Tryg's articles of association and applicable Law and sent to Tryg Shareholders on or before the date the Target intends to publish the Scheme Document or (if different) the document convening the Target GM: (i) the Target may choose to delay the publication of the Scheme Document and (if different) the document convening the Target GM until it does take place (or as soon as reasonably practicable thereafter), the Bidders will consent to that delay and provide confirmation of that consent to the Panel and that delay shall not constitute a Target Board Adverse Recommendation;

(B) procure that the Tryg Shareholder Notice shall contain the Tryg Board Recommendation and that such Tryg Board Recommendation shall not be withdrawn, amended or qualified without the consent of the Target;

(C)

(i) use all reasonable endeavours to hold the Tryg GM as soon as possible and in any event prior to 24 December 2020. If the Tryg GM does not take place by such time, Tryg shall continue to use all reasonable endeavours to hold the Tryg GM as soon as practicable prior to 8 January 2021;

(ii) in any event and without prejudice to Clause 5.1(C)(i), hold the Tryg GM prior to the date of the Court Meeting and the Target GM; and

(iii) ensure that the Tryg Shareholder Resolution is voted on at the Tryg GM.

Without prejudice to the preceding parts of this Clause 5.1(C), if the Tryg GM is not convened and held (or the Tryg Shareholder Resolution is not voted on at that Tryg GM) prior to the Court Meeting and the Target GM, the Target may delay or adjourn the Court Meeting and the Target GM accordingly to the day that the Tryg GM is held (or adjourned to) and until the Tryg Shareholder Resolution has been voted on (or as soon as reasonably practicable thereafter), the Bidders will consent to that and provide confirmation of that consent to the Panel and that delay shall not constitute a Target Board Adverse Recommendation;

(D) prior to the Tryg GM, use all reasonable endeavours to liaise with the proxy advisors ISS and Glass Lewis to explain the Tryg Shareholder Resolution and seek to obtain their support to the Tryg Shareholder Resolution at the Tryg GM; and

(E) procure that the Tryg Board does not, unless it is required to do so by applicable Law, convene or hold any other general meeting of Tryg where a resolution is proposed that, if passed, may have the effect of preventing, impeding, materially delaying or materially prejudicing completion of the Transaction. For the avoidance of doubt, this Clause 5.1(E) shall not prevent the Tryg Board convening

or holding any shareholder meeting which may be requisitioned to be convened or convened by shareholders of Tryg in accordance with applicable Law.

5.2 Tryg shall:

- (A) use all reasonable endeavours to satisfy the Tryg Rights Issue Conditions in sufficient time so as to enable the Effective Date to occur prior to the Long Stop Date, including that Tryg shall:
  - (i) prepare the Tryg Prospectus and submit it for review by the relevant Regulatory Authorities as soon as reasonably practicable after the date of this Agreement, and continue to promptly update the Tryg Prospectus to reflect any comments of those Regulatory Authorities and any further information that is required to be included in the Tryg Prospectus prior to launch of the Rights Issue; and
  - (ii) use all reasonable endeavours to launch and complete the Tryg Rights Issue and have the shares to be issued pursuant to the Tryg Rights Issue admitted to and listed on Nasdaq Copenhagen) by the earlier of: (i) as soon as is reasonably practicable after the satisfaction of the Merger Control Conditions and the Regulatory Conditions (excluding Conditions 3(w) and 3(x) of Appendix 1 to the Announcement); and (ii) such time as enables the Effective Date to occur prior to the Long Stop Date; and
- (B) without prejudice to Clause 5.2(A), Tryg shall, on an ongoing basis, consider in good faith whether to launch the Tryg Rights Issue prior to satisfaction of the Merger Control Conditions and the Regulatory Conditions, taking into account the progress in satisfying the Merger Control Conditions and the Regulatory Conditions at that time and the additional financial information that may be required for the Tryg Prospectus (or a supplementary prospectus) if the Tryg Rights Issue is not launched at that time. Any decision to launch the Tryg Rights Issue prior to the satisfaction of the Merger Control Conditions and the Regulatory Conditions (excluding Conditions 3(w) and 3(x) of Appendix 1 to the Announcement) shall be at the sole discretion of Tryg.

5.3 Intact shall use all reasonable endeavours to satisfy the Intact Equity Placing Condition as soon as reasonably practicable (and, in any event, prior to the satisfaction of the Regulatory Conditions (excluding Conditions 3(w) and 3(x) of Appendix 1 to the Announcement)).

5.4 To the extent permitted by applicable Law, the Target shall (and shall procure that the Target Group shall) and Intact and BidCo shall (and shall procure that their Group shall) use reasonable endeavours to provide as soon as reasonably practicable to Tryg:

- (A) such information about itself, its business, the Target Directors, the other members of the Target Group and their respective directors (including accountants' reports, any requisite financial statements and other information and reports) as may be reasonably requested by Tryg and/or the underwriters of the Tryg Rights Issue in light of legal and regulatory requirements in respect of the Tryg Rights Issue and the Tryg Prospectus and market practice for transactions of a similar nature to the Tryg Rights Issue and which is required or reasonably

requested for the purpose of inclusion in (and/or submission with) the Tryg Shareholder Notice and/or Tryg Prospectus; and

- (B) all other assistance and access which may be reasonably required by Tryg and/or the Tryg Rights Issue underwriters for the preparation of the Tryg Shareholder Notice and/or Tryg Prospectus, including reasonable access to the Target's professional advisers.

5.5 Tryg shall provide, or procure the provision of, draft copies of the Tryg Shareholder Notice and the Tryg Prospectus (subject to any redactions strictly required under applicable Law) to the Target at such time as will allow the Target reasonable notice of and reasonable opportunity to review and comment on such drafts and Tryg shall in good faith consider all comments reasonably and proposed within a reasonable timeframe by the Target before such drafts are published in final form.

5.6 Tryg shall:

- (A) after the posting of the Tryg Shareholder Notice and before the Tryg GM, keep the Target informed, on a regular and confidential basis, of the number and content of proxies and postal votes received in respect of the Tryg Shareholder Resolution provided that information provided by Tryg to the Target under this Clause 5.6(A) shall be in the form received from the service provider handling the registration of proxies and postal votes on behalf of Tryg subject to any redactions strictly required pursuant to the GDPR, the MAR and the Danish Companies Act; and
- (B) permit up to 10 representatives of the Target and its advisers to attend the Tryg GM, either in person (subject to applicable COVID-19 restrictions under Danish law) or by electronic means (including by webcast or similar means).

5.7 The Bidders shall not agree to any amendment of the Tryg Shareholder Voting Irrevocable and shall promptly take such actions as are necessary or the Target may reasonably request to enforce their rights thereunder.

5.8 Tryg shall:

- (A) subject to applicable Law, promptly provide the Target with any information provided to it pursuant to clauses 2.1 (H) and (I) of the Tryg Shareholder Rights Issue Irrevocable; and
- (B) take all such action, within Tryg's control, that is required to ensure that any proxy or voting letter provided to it pursuant to clauses 3.1 (A) and 3.1(B) of the Tryg Shareholder Voting Irrevocable shall count as a valid vote in favour of the Tryg Shareholder Resolution at the Tryg GM.

## 6. **Scheme of Arrangement**

6.1 Each Bidder agrees to:

- (A) as soon as reasonably practicable provide to the Target (and/or its legal advisers) all such information about itself, or any other person acting in concert with it (including any information required by the Code or under other applicable Law,

including in relation to their intentions) as may be reasonably requested and which is reasonably required by the Target (and/or its legal advisers), having regard to the Code and other applicable Law, for inclusion in the Scheme Document;

- (B) as soon as reasonably practicable provide all such other assistance and access as may be reasonably required for the preparation of the Scheme Document and any other document required by the Code or other applicable Law to be published in connection with the Scheme, including access to, and procuring that reasonable assistance is provided by, its relevant professional advisers; and
- (C) procure that its directors (and any other person connected with it, as required by the Panel) accept responsibility, in the terms required by the Code, for all the information in the Scheme Document, and any other document required by the Code or other applicable Law to be published in connection with the Scheme, relating to themselves (and their close relatives (as defined in the Code), related trusts and companies and other persons connected with them), the Bidder's concert parties, its financing arrangements in connection with the Transaction, information on the Bidder's future plans for the Target Group and its management and employees, any statements of the opinion, belief, intention or expectation of it or its Directors in relation to the Transaction or the Target Group following the completion of the Transaction and any other information in the Scheme Document for which it and/or its directors are required to accept responsibility under the Code.

6.2 The Bidders undertake that, prior to the Scheme Hearing, they shall deliver a notice in writing to the Target confirming either:

- (A) the satisfaction or waiver of all Conditions (other than the Scheme Conditions and the Re-registration Condition); or
- (B) their intention to invoke one or more Conditions (if permitted by the Panel) and providing reasonable details of the event which has occurred, or circumstances which have arisen, which BidCo and/or Tryg (as applicable) reasonably considers entitles it to invoke such Condition(s) or treat it as unsatisfied or incapable of satisfaction.

6.3 The Bidders shall jointly instruct counsel to appear on their behalf of the Scheme Hearing and undertake to the Court to be bound by the terms of the Scheme insofar as it relates to BidCo or Tryg (as applicable) to the extent that all the Conditions (other than the Scheme Conditions and the Re-registration Condition) have been satisfied or waived prior to or on the date of the Scheme Hearing. The Bidders shall provide such documentation or information as may reasonably be required by the Target's counsel or the Court, in relation to such undertaking.

6.4 Each Bidder shall inform the Target promptly following filing of any written submission by or on behalf of it (or any member of its Group) to the Panel seeking to invoke any of the Conditions.

## 7. **Employee Related Matters**

The parties agree that the provisions of Schedule 1 shall apply in respect of the Target Share Plans and certain employee-related matters.

## 8. **Separation Assistance**

8.1 In connection with the Separation, the Target undertakes to the Bidders to include the wording set out in Schedule 3 to this Agreement in the Scheme, or such alternative language as is agreed between the parties prior to publication of the Scheme Document;

8.2 Each Bidder agrees:

(A) to indemnify and hold harmless on demand, on an after-tax basis, each member of the Target Group and any person who is a director of any of them at any time between the date of this Agreement and the Effective Date (an “**Indemnified Person**”) from and against any and all losses, liabilities, claims, costs and expenses (including but not limited to any direct, indirect or consequential losses, all interest, penalties and legal costs (calculated on a full indemnity basis) and all other professional costs and expenses); and

(B) not to make (and to procure that no member of its Group from time to time makes) any claim or demand against any Indemnified Person,

in each case, arising out of any actions taken (or not taken) by an Indemnified Person: (i) to carry out the obligations of the Target or the relevant member of the Target Group pursuant to the Initial Separation Steps; (ii) to carry out the Re-registration; or (iii) that were otherwise carried out at the request of the Bidders.

8.3 BidCo agrees to, as soon as practicable following the Effective Date, ratify the actions taken (or not taken) by the Target and its directors (and any member of the Target Group and its directors): (i) to carry out the obligations of the Target or the relevant member of the Target Group pursuant to the Initial Separation Steps; (ii) to carry out the Re-registration; or (iii) that were otherwise carried out at the request of the Bidders.

8.4 Each Bidder shall, and shall procure that the relevant members of their Group shall, subject to satisfaction or waiver of the Conditions, and in each case to the extent within their control, take all such actions as are necessary to: (i) implement the steps required by the Bidders’ Group in order that the Target Group can carry out the Initial Separation Steps; and (ii) implement the Acquisition Completion Holding Structure at the Effective Date, and the Target shall, and shall procure that the relevant members of the Target Group shall, take the actions specified as being actions of the Target or the relevant member of the Target Group in the Initial Separation Steps (subject to and on the terms set out therein).

## 9. **Directors’ and Officers’ Liability Insurance**

9.1 To the extent permitted by applicable Law, for six years after the Effective Date, each of the Bidders shall, to the extent within its control, procure the honouring and fulfilment of all of the Target Group’s obligations (if any) existing at the date of this Agreement regarding: (i) indemnification of officers, directors and employees of the Target Group and advancement of expenses; and (ii) provision of assistance to directors and officers of the

Target Group to the extent they need to make a claim against the Target Group directors' and officers' insurance policy (including any run off cover), in each case with respect to matters existing or occurring at or prior to the Effective Date.

- 9.2 The Bidders acknowledge that the Target Group may procure the provision of directors' and officers' liability insurance for both current and former directors and officers of the Target Group, including directors and officers who retire or whose employment is terminated as a result of the Transaction, for acts and omissions up to and including the Effective Date, in the form of run-off cover for a period of six years following the Effective Date. Such insurance cover shall be with reputable insurers and provide cover, in terms of amount and breadth, at least as much as that provided under the Target Group's directors' and officers' liability insurance as at the date of this Agreement.

## 10. **Code and relevant Law**

- 10.1 Nothing in this Agreement shall in any way limit the parties' obligations under the Code and any other applicable Law, and any uncontested rulings of the Panel as to the application of the Code in conflict with the terms of this Agreement shall take precedence over the terms of this Agreement.
- 10.2 The parties agree that, if the Panel determines that any provision of this Agreement that requires the Target to take or not take action, whether as a direct obligation or as a condition to any other person's obligation (however expressed), is not permitted by Rule 21.2 of the Code, that provision shall have no effect and shall be disregarded and neither the Target nor the Target Directors shall have any obligation to take or not take any such action.
- 10.3 Nothing in this Agreement shall oblige the Target or the Target Directors to recommend an Offer or a Scheme proposed by the Bidders.

## 11. **Invalidity**

If at any time any provision of this Agreement is or becomes illegal, invalid or unenforceable in any respect under the law of any jurisdiction or due to the operation of Clause 10.2, that shall not affect or impair:

- (A) the legality, validity or enforceability in that jurisdiction of any other provision of this Agreement; or
- (B) the legality, validity or enforceability under the law of any other jurisdiction of that or any other provision of this Agreement,

and, if such provision would be valid and enforceable if deleted in whole or in part or reduced in application, such provision shall apply with such deletion or modification as may be necessary to make it valid and enforceable.

## 12. **Termination**

- 12.1 Subject to Clauses 12.2 and 12.3, this Agreement shall terminate with immediate effect and all rights and obligations of the parties under this Agreement shall cease:
- (A) if the parties so agree in writing;

- (B) if the Announcement is not released by 6.30 p.m. on the date of this Agreement (unless, prior to that time, the parties have agreed another time in accordance with Clause 2.1 in which case the later time and date shall apply for the purposes of this Clause 12.1(B));
- (C) upon service of written notice by the Bidders to the Target, if one or more of the following occurs:
- (i) prior to the Long Stop Date, a third party announces a possible or firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for the Target which is recommended by the Target Directors or which the Target Directors have announced that they intend to recommend;
  - (ii) a Target Board Adverse Recommendation Change occurs; or
  - (iii) the Court Meeting, the Target GM or the Sanction Hearing is/are not held on or before the 22<sup>nd</sup> day after the expected date of such meeting or hearing as, if specified in the Scheme Document, is set out in the Scheme Document (or such later date as may be agreed in writing between the parties with the consent of the Panel and the approval of the Court (if such approval is required));
- (D) upon service of written notice by the Target to the Bidders, if one or more of the following occurs:
- (i) Tryg makes an announcement prior to the publication of the Tryg Shareholder Notice convening the Tryg GM that: (i) the Tryg Supervisory Board or Executive Board no longer intends to recommend the Transaction or intends to qualify or modify the Tryg Board Recommendation; (ii) it will not convene the Tryg GM; or (iii) it intends not to post the Tryg Shareholder Notice convening the Tryg GM;
  - (ii) the Tryg Shareholder Resolution is voted on at the Tryg GM but is not passed, and a subsequent Tryg Shareholder Resolution is not passed within six weeks of the initial Tryg Shareholder Resolution being rejected;
  - (iii) the Tryg Shareholder Notice convening the Tryg GM, does not contain, when published, the Tryg Board Recommendation; or
  - (iv) the Tryg Board Recommendation is withdrawn or amended or qualified; or
- (E) upon service of written notice by any party to the other parties, if one or more of the following occurs:
- (i) prior to the Long Stop Date: (a) any Condition which has not been waived is (or has become) incapable of satisfaction by the Long Stop Date and, notwithstanding that it has the right to waive such Condition, BidCo has stated in writing that it will not do so; or (b) any Condition which is incapable of waiver has become incapable of satisfaction by the Long

Stop Date, in each case in circumstances where the invocation of the relevant Condition (or confirmation that the Condition is incapable of satisfaction, as appropriate) is permitted by the Panel;

- (ii) prior to the Long Stop Date, a third party announces an offer for the Target which completes, becomes effective or is declared or becomes unconditional in all respects;
- (iii) if the Transaction (whether implemented by way of the Scheme or Offer) is withdrawn, terminated or lapses in accordance with its terms prior to the Long Stop Date and, where required, with the consent of the Panel, other than where such lapse or withdrawal is: (i) as a result of the Bidders electing to implement the Transaction by means of an Offer in accordance with this Agreement; or (ii) otherwise to be followed within five Business Days (or such other period as the Target and the Bidders may agree) by an announcement under Rule 2.7 of the Code made by the Bidders or any person acting in concert with the Bidders (or deemed to be acting in concert with the Bidders) to implement the Transaction by a different offer or scheme on substantially the same or improved terms);
- (iv) if the Scheme is not approved at the Court Meeting, the Target GM Resolutions are not passed at the Target GM or the Court refuses to sanction the Scheme; or
- (v) unless otherwise agreed by the parties in writing or required by the Panel, if the Effective Date has not occurred by the Long Stop Date.

12.2 Termination of this Agreement shall be without prejudice to the rights of any party that may have arisen at or prior to termination.

12.3 Clause 1, Clause 7 and Clauses 10 to 25 shall survive termination of this Agreement and Clauses 8.2, 8.3 and 9 shall survive termination of this Agreement if the Scheme continues and becomes effective. In the event that the Target terminates this Agreement pursuant to Clause 12.1(D), Clause 5.4 shall survive until the earlier of: (i) the Tryg Shareholder Resolution being voted down by the Tryg Shareholders (or, if passed, a subsequent Tryg shareholder resolution is passed which has the effect of negating that resolution), provided at all times that the Target shall not be required to comply with its obligations under Clause 5.4 until the Tryg Shareholder Resolution is passed; (ii) the completion of the Tryg Rights Issue; and (iii) the time the Target would otherwise have been entitled to terminate this Agreement pursuant to Clause 12.1(E) were it still in force.

### 13. **Warranties and Undertakings**

13.1 Each party warrants to each other party on the date of this Agreement that:

- (A) it has the requisite power and authority to enter into and perform its obligations under this Agreement;
- (B) this Agreement constitutes its binding obligations in accordance with its terms;
- (C) the execution and delivery of, and performance of its obligations under, this Agreement will not:

- (i) result in any breach of any provision of its constitutional documents;
- (ii) result in a breach of, or constitute a default under, any instrument to which it is a party or by which it is bound, where such breach or default would be material in the context of the Transaction; or
- (iii) result in a breach of any order, judgment, or decree of any court or governmental agency to which it is a party or by which it is bound.

13.2 No party shall have any claim against any other party for any breach of warranty after the Effective Date (without prejudice to any liability for fraudulent misrepresentation or fraudulent misstatement).

13.3 The Bidders warrant to the Target on the date of this Agreement that no resolutions or other approvals of Tryg or Intact's shareholders are required to enter into and implement the Transaction (other than, in the case of Tryg, the Tryg Shareholder Resolution) and, subject to the passing of the Tryg Shareholder Resolution, they have the requisite power and authority to enter into and implement the Transaction.

13.4 The Bidders acknowledge and agree that any information and/or assistance provided by any of the Target Group's directors, officers, employees, contractors or advisers (each a "Target Representative") to them and/or any of the Bidders' Groups or any of their respective directors, officers, employees or advisers, whether before, on or after the date of this Agreement: (i) pursuant to the obligations of the Target or any member of the Target Group under or otherwise in connection with this Agreement; or (ii) in connection with the Transaction shall in each case be (and have been) given on the basis that the relevant Target Representative shall not incur any liability, whether in contract, tort (including negligence) or otherwise, in respect of any loss or damage that any of the Bidders' Groups or any of their respective directors, officers, employees or advisers may suffer as a result of the provision of any such information and/or assistance (save, in each case for loss or damage resulting from the fraudulent misrepresentation of the relevant Target Representative).

14. **Notices**

14.1 A notice under or in connection with this Agreement (a "Notice") must be in writing and shall be sent by email to the party due to receive the notice to the email addresses specified in Clause 14.2.

14.2 The email addresses of each party referred to in Clause 14.1 above are:

(A) in the case of Intact:

████████████████████████████████████████

with a copy (which shall not constitute notice) to:

████████████████████████████████████████

(B) in the case of Bidco:

████████████████████████████████████████

with a copy (which shall not constitute notice) to:

[REDACTED]  
[REDACTED]

(C) in the case of Tryg:

[REDACTED]

with a copy (which shall not constitute notice) to:

[REDACTED]  
[REDACTED]

(D) in the case of the Target:

[REDACTED]  
[REDACTED]

with a copy (which shall not constitute notice) to:

[REDACTED]  
[REDACTED]

14.3 The Notice shall be effective when sent, unless the recipient receives a “bounce-back” indicating the Notice has not been delivered. Any Notice sent outside of the hours of 9.00 a.m. to 5.30 p.m. shall be deemed to be given at the start of the next Business Day.

14.4 Each Notice or other communication under or in connection with this Agreement shall be in English.

14.5 A party may change its notice details by giving Notice to the other parties of the change in accordance with this Clause 14.

15. **Remedies and waivers**

15.1 No delay or omission by any party in exercising any right, power or remedy provided by Law or under this Agreement shall:

(A) affect that right, power or remedy; or

(B) operate as a waiver of it.

15.2 The single or partial exercise of any right, power or remedy provided by Law or under this Agreement shall not preclude any other or further exercise of it or the exercise of any other right, power or remedy.

15.3 The rights, powers and remedies provided in this Agreement are cumulative and not exclusive of any rights, powers and remedies provided by Law.

15.4 Without prejudice to any other rights and remedies which a party may have, each party acknowledges and agrees that damages alone may not be an adequate remedy for any

breach by a party of the provisions of this Agreement and the other parties shall be entitled to seek the remedies of injunction, specific performance and other equitable remedies, for any threatened or actual breach of any such provision of this Agreement by a party and no proof of special damages shall be necessary for the enforcement by a party of its rights under this Agreement.

15.5 Nothing in this Agreement shall oblige the Target to pay an amount in damages which the Panel determines would not be permitted by Rule 21.2 of the Code.

15.6 The Bidders shall be severally, and not jointly or jointly and severally, liable for any warranty, representation or undertaking stated as given by, or obligation stated as imposed on, an individual Bidder or "the Bidders", under this Agreement.

16. **Variation**

No variation or amendment or modification to this Agreement shall be effective unless made in writing (which for this purpose, does not include email) and executed by each of the parties.

17. **Assignment**

No party may assign (whether absolutely or by way of security and whether in whole or in part), transfer, mortgage, charge, declare itself a trustee for a third party of, or otherwise dispose of (in any manner whatsoever) the benefit of this Agreement or sub-contract or delegate in any manner whatsoever its performance under this Agreement without the prior written consent of the other parties.

18. **Counterparts**

18.1 This Agreement may be executed in any number of counterparts, and by the parties on separate counterparts, but shall not be effective until each party has executed at least one counterpart.

18.2 Each counterpart shall constitute an original of this Agreement, but all the counterparts shall together constitute but one and the same instrument.

19. **Costs and Expenses**

Except as otherwise stated in this Agreement, each party shall pay its own costs and expenses in relation to the negotiation, preparation, execution and carrying into effect of this Agreement and any matter contemplated by it.

20. **Further Assurance**

Each party shall, at its own cost, use reasonable endeavours to, or procure that any relevant third party shall, do and/or execute and/or perform all such further deeds, documents, assurances, acts and things as may reasonably be required to give effect to this Agreement.

21. **No Partnership**

No provision of this Agreement creates a partnership between any of the parties or makes a party the agent of another party for any purpose. A party has no authority to bind or

contract in the name of another party in any way or for any purpose by virtue of this Agreement.

## 22. **Entire Agreement**

22.1 Save for the Confidentiality Agreement and the Clean Team Agreement (each of which remains in full force and effect), this Agreement constitutes the whole and only agreement between the Bidders and the Target relating to the Transaction and supersedes any previous agreements (whether written or oral) between the Bidders and the Target in relation to the Transaction. It is acknowledged that the Bidders have entered into additional agreements with each other in relation to the Transaction.

22.2 Except in the case of fraud, each party acknowledges that in entering into this Agreement it is not relying upon any pre-contractual statement that is not set out in this Agreement.

22.3 Except in the case of fraud, no party shall have any right of action (including those in tort or arising under statute) against any other party arising out of or in connection with any pre-contractual statement except to the extent that it is repeated in this Agreement or contained in the Confidentiality Agreement or the Clean Team Agreement.

22.4 For the purposes of this Clause 22, “**pre-contractual statement**” means any draft, agreement, undertaking, representation, warranty, promise, assurance or arrangement of any nature whatsoever, whether or not in writing, relating to the subject matter of this Agreement made or given by any person at any time before the date of this Agreement.

## 23. **Rights of Third Parties**

23.1 Clauses 8.2, 8.3, 9, and 13.4 (the “**Third Party Rights Provisions**”) are intended to confer benefits on and be enforceable by the third parties referred to therein (the “**Relevant Third Parties**”). The parties shall not require the consent of any person (including any Relevant Third Party) other than the parties to vary or amend this Agreement, except for any variation or amendment of the Third Party Rights Provisions on or following the Effective Date, which shall require the consent of the affected Relevant Third Party.

23.2 Except as specified in Clause 23.1, no term of this Agreement shall be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999, by any person who is not a party to this Agreement.

## 24. **Governing Law**

24.1 This Agreement is to be governed by and construed in accordance with English law. Any matter, claim or dispute arising out of or in connection with this Agreement, whether contractual or non-contractual, is to be governed by and determined in accordance with English law.

24.2 Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction in relation to any dispute or claim arising out of or in connection with this Agreement or its subject matter, existence, negotiation, validity, termination or enforceability (including non-contractual disputes or claims).

24.3 Each party irrevocably waives any right that it may have to object to an action arising out of or in connection with this Agreement being brought in the courts of England and Wales,

to claim that the action has been brought in an inconvenient forum, or to claim that the courts of England and Wales have no jurisdiction.

**25. Agent for Service**

- 25.1 Intact hereby appoints BidCo as its agent for service of process in England and Wales and to be its agent for the receipt of Service Documents. It agrees that any Service Document may be effectively served on it in connection with proceedings, suit or action in England and Wales by service on its agent effected in any manner permitted by the Civil Procedure Rules.
- 25.2 Tryg hereby appoints Law Debenture Corporate Services Limited of Fifth Floor, 100 Wood Street, London EC2V 7EX as its agent for service of process in England and Wales and to be its agent for the receipt of Service Documents. It agrees that any Service Document may be effectively served on it in connection with proceedings, suit or action in England and Wales by service on its agent effected in any manner permitted by the Civil Procedure Rules.
- 25.3 If the agent at any time ceases for any reason to act as such for a party, the relevant party shall promptly appoint a replacement agent having an address for service in England or Wales and shall notify the other parties of the name and address of the replacement agent. Failing such appointment and notification, the Target shall be entitled by notice to that party to appoint a replacement agent to act on behalf of that party. The provisions of this Clause 25.3 applying to service on an agent apply equally to service on a replacement agent.
- 25.4 A copy of any Service Document served on an agent shall be sent to the relevant Bidder. Failure or delay in so doing shall not prejudice the effectiveness of service of the Service Document.

## SCHEDULE 1

### Employee Related Matters

The following arrangements and acknowledgments will, subject to the Scheme becoming effective in accordance with its terms, apply in respect of the Target Share Plans and the Target Employees.

In the event that the Transaction is implemented as an Offer, references to the date of the grant of the Scheme Order and the Effective Date will be read as if they referred to the date on which the Offer becomes or is declared unconditional in all respects.

The Bidders' acknowledgements in paragraphs 1-10 (inclusive), 14-16 (inclusive), 18, 19, 21 and 22 of this Schedule 1 do not impose contractual restrictions or obligations on any member of the Target Group or their boards of directors.

In this Schedule 1, each of the following words and expressions shall have the following meanings:

<b>“2009 Irish Sharesave”</b>	means the Target’s Irish Sharesave Plan 2009, as amended from time to time;
<b>“2019 Irish Sharesave”</b>	means the Target’s Irish Sharesave Plan adopted in 2019, as amended from time to time;
<b>“Awards”</b>	has the meaning given to it in paragraph 2(C) of this Schedule 1;
<b>“Cash Amount”</b>	has the meaning given to it in paragraph 11 of this Schedule 1;
<b>“International Sharesave”</b>	means the Target’s Sharesave Plan, operated in accordance with Schedule 1 (International Schedule) to that plan, as amended from time to time;
<b>“PSP”</b>	means the Target’s Performance Share Plan 2014, as amended from time to time;
<b>“Sharesave Plans”</b>	means the UK Sharesave, the 2009 Irish Sharesave, the 2019 Irish Sharesave and the International Sharesave;
<b>“SIP”</b>	means the Target’s Share Incentive Plan, as amended from time to time;
<b>“Target Directors’ Remuneration Policy”</b>	means the directors’ remuneration policy approved by Target Shareholders from time to time;

<b>“Target Employees”</b>	means the employees of the Target and members of the Target Group from time to time;
<b>“Target Group Executive”</b>	means the group executive of the Target;
<b>“Target Remuneration Committee”</b>	means the remuneration committee of the board of directors of the Target;
<b>“Target Share Plans”</b>	means each of the PSP, UK Sharesave, 2009 Irish Sharesave, 2019 Irish Sharesave, International Sharesave and SIP;
<b>“Trust”</b>	has the meaning given to it in paragraph 11 of this Schedule 1; and
<b>“UK Sharesave”</b>	means the Target’s Sharesave Plan, excluding Schedule 1 (International Schedule) to that plan, as amended from time to time.

**Target Share Plans: general**

- As at 6 November 2020, the following options and awards were outstanding under the Target Share Plans:

<b>Target Share Plan</b>	<b>Form of award(s)</b>	<b>Number of Target Shares subject to outstanding awards (inclusive of dividend equivalents)</b>
PSP	Conditional awards of Performance Shares	10,090,457
	Conditional awards of Deferred Shares	1,264,367
	Conditional awards of Restricted Shares	165,014
UK Sharesave	Options	4,933,255
2009 Irish Sharesave and 2019 Irish Sharesave	Options	239,388
International Sharesave	Options	549,968

SIP	Target Shares	1,888,922 (of which, 7,314 Target Shares were unallocated as at 1 November 2020)
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Awards under the PSP (excluding certain awards of Restricted Shares) entitle the holder, on vesting, to dividend equivalents in the form of Target Shares. The preceding table includes (i) all dividend equivalents which have accrued as at the date of this Agreement and (ii) the expected value of dividend equivalents which will accrue in respect of dividends due to be paid in December 2020 (calculated using a price per Target Share of £4.41).

In addition:

- (A) certain employees are entitled to additional Target Shares on a quarterly basis pursuant to fixed share allowances. These are delivered using shares purchased in the market;
- (B) awards under the PSP in respect of bonus deferral will fall to be made, and the Bidders acknowledge that the Target has communicated an assessment of the envisaged maximum number of Target Shares for that purpose, without prejudice to the Target's ability to defer any bonus into Target Shares as permitted by paragraph 15 or any other provision of this Schedule 1; and
- (C) additional Matching Shares will be issued to participants in the SIP during the period from the date of this Agreement until the Effective Date.

The Target confirms that no additional options or awards over newly issued Target Shares have been granted since 6 November 2020.

2. The Bidders acknowledge that, before the Effective Date, the Target may continue to operate the Target Share Plans in accordance with the rules of the relevant plan and, where applicable, the Target Directors' Remuneration Policy and Solvency II remuneration regulations. For the avoidance of doubt, the operation of the Target Share Plans includes (without limitation): granting awards (subject to the following sentence), determining the extent to which awards vest and satisfying the vesting of awards and exercise of options and obligations under the SIP. The Target does not intend to grant any awards after the date of this Agreement other than: (i) where required to do so to meet its obligations regarding the form in which variable remuneration awarded in respect of the 2020 financial year is delivered and as otherwise contemplated in this Schedule 1; and (ii) to fulfil existing commitments to buy out awards of persons recruited to the Target and, subject to prior consultation with the Bidders, new commitments made after the date of this Agreement to buy out awards of persons recruited to the Target. The Bidders and the Target acknowledge and agree that:
  - (A) the Scheme Record Time shall take place after the grant of the Scheme Order, to allow those participants in the Target Share Plans who acquire Target Shares on or before the grant of the Scheme Order to have those Target Shares dealt with through the Scheme;

- (B) the Target may amend the rules of the Target Share Plans if the Target Directors (or the relevant committee) are of the opinion that such amendments are necessary or desirable to implement the Scheme or the treatment set out in this Agreement, facilitate the administration of the Target Share Plans or obtain or maintain favourable tax treatment for participants and/or for the Target. No amendment shall or may result in increased cost or negative tax consequences for Bidco or the Target Group without Bidco's prior consent;
  - (C) Bidco and the Target intend jointly to write to participants in the Target Share Plans on, or as soon as practicable after, the posting of the Scheme Document to inform them of the impact of the Scheme on their outstanding options and awards under the Target Share Plans ("**Awards**") and the extent to which their Awards will vest and become exercisable as a result of the Scheme; and
  - (D) Target Shareholder approval will be sought for an amendment to the articles of association of the Target so that any Target Shares issued or transferred after the Scheme Record Time will be automatically transferred to, or to the order of, Bidco in exchange for the provision by Bidco of the same consideration payable per Target Share under the Scheme (or such other consideration as may be agreed between Bidco and the Target and disclosed in the Scheme Document).
3. The Bidders acknowledge and agree that if for any reason Target Shares cannot be issued or transferred when Awards are exercised or vest under any of the Target Share Plans (or the Target Remuneration Committee considers that it is materially inconvenient or costly to do so in the context of the Transaction), such Awards may be settled by the Target in cash (subject to any applicable regulatory requirement).
4. The Bidders acknowledge that the Target may make any submission to the Panel which it deems necessary to implement the arrangements referred to in this Schedule 1, and the Bidders agree to co-operate promptly and in good faith in the making of any such submission.

#### **PSP**

5. The Bidders acknowledge that the extent to which Awards outstanding under the PSP vest on the date of the Scheme Order in connection with the Transaction is to be determined solely by the Target Remuneration Committee, in accordance with the rules of the PSP but subject always to paragraph 21.

#### **Sharesave Plans**

6. The Bidders acknowledge that options granted under the Sharesave Plans which would not otherwise have been exercisable prior to the date of the Scheme Order ("**Unmatured Options**") will (in consequence of the Transaction and in accordance with participants contractual rights under the relevant Sharesave Plan rules) be exercisable for 6 months following the date of the Scheme Order and, in many cases, will be exercisable in respect of less than the full number of Target Shares in respect of which the Unmatured Options could be exercised on maturity of the related savings contracts. The Bidders therefore agree that they will make a one-off cash payment to those participants in the Sharesave Plans who exercise their Unmatured Options on the Effective Date, of an amount equal

to the additional pre-tax profit which the participants would have received had they exercised their Unmatured Options on the earlier of (i) the end of the 6-month period and (ii) the date on which those Unmatured Options would otherwise lapse following their normal maturity (the "**Latest Date**"). The cash payment will be calculated by multiplying (a) 1/36 of the total number of Target Shares under each of the Unmatured Options held by each participant who exercises on the date of the Effective Date; by (b) the number of additional monthly savings contributions that the relevant optionholder could have made after the Effective Date and before the Latest Date; by (c) the difference between the price paid per Target Share under the Transaction and the Unmatured Options exercise price (the "**Cash Payment**") and will be increased as may be required by paragraph 7 below.

7. The Bidders acknowledge that any such Cash Payment made by the Bidders in accordance with paragraph 6 will be paid in the next practicable payroll after the Effective Date subject to deductions for income tax and employee's social security contributions and agrees that any Cash Payment made to a participant in the UK Sharesave or the 2009 Irish Sharesave or the 2019 Irish Sharesave will be of such amount as shall, after taking account of the option holder's liability to income tax and employee's social security deductions thereon, provide the option holder with an after-tax amount equal to the Cash Payment.
8. The Bidders agree that if the Transaction is implemented by way of Scheme, then subject to any legally required tax approvals, the Transaction will be treated as a general offer for the purposes of vesting of any options granted under the 2009 Irish Sharesave or the 2019 Irish Sharesave.

#### **SIP**

9. The Bidders acknowledge and agree that the acquisition of "Partnership Shares", "Matching Shares" and "Dividend Shares" under the SIP may continue until the last reasonably practicable normal purchase date before the date of the Scheme Order.
10. The Bidders and the Target acknowledge and agree that Target Shares held in the SIP trust on behalf of the SIP participants will participate in the Scheme (on the same terms as for other Target Shareholders).

#### **Employee Benefit Trust**

11. As at the date of this Agreement, the Target's employee benefit trust (the "**Trust**") holds approximately £6,578 in cash (the "**Cash Amount**") and no Target Shares.
12. The Bidders and the Target agree that the trustee of the Trust will be requested to use the Target Shares that it holds to satisfy outstanding Awards as far as possible.
13. To the extent there are insufficient Target Shares in the Trust to satisfy outstanding Awards, the Target will request the trustee to use the Cash Amount or otherwise make a loan to the trustee to the extent necessary to subscribe for new Target Shares or, at the Target's discretion, purchase existing Target Shares to satisfy outstanding Awards.

### **Target Employees: ordinary course of business arrangements**

14. The Bidders acknowledge and agree that, subject to paragraph 15(C)(i), the Target will carry out annual (or other periodic) pay reviews and appraisals, promotion rounds and bonus determinations in the ordinary course of business and in accordance with existing remuneration policies and practices.

### **Annual bonus**

15. The Bidders acknowledge that:
- (A) the Target operates annual bonus arrangements which are conditional on financial and individual performance;
  - (B) bonus determinations for any Target financial year completed before the Effective Date will be undertaken by the Target and determined and paid by the Target in accordance with the Target Directors' Remuneration Policy and consistent with normal Target practice with payment being made on or around the normal bonus payment date, subject to the Target's normal deferral arrangements (where applicable);
  - (C) for the Target financial year in which the Effective Date occurs:
    - (i) bonus determinations for the period up to the Effective Date will be undertaken by the Target (and the outcomes, in aggregate, will not exceed a level equal to the aggregate maximum award level, pro-rated for time, that was available in the 2020 bonus year, as amended to reflect annual pay reviews and promotion rounds undertaken in accordance with paragraph 14); and
    - (ii) bonus determinations for the period from the Effective Date to the end of the Target financial year in which the Effective Date occurs will be undertaken by the Bidders;
  - (D) the relevant bonus (under 15(C) above) shall be paid to:
    - (i) Target Employees who are material risk takers under relevant remuneration regulations ("**MRTs**") subject to an appropriate deferral schedule and, as to so much of the relevant bonus as is paid in cash, shall, in relation to the bonus referred to in paragraph 15(c)(i), be paid as soon as practicable following the Effective Date and otherwise, where required, paid in Target Shares or such other form that satisfies relevant remuneration regulations;
    - (ii) Target Employees who are not MRTs:
      - (a) in respect of the period referred to in paragraph 15(C)(i) as soon as practicable following the Effective Date; and

- (b) in respect of the period referred to in 15(C)(ii), on the normal bonus payment date;
- (E) any bonuses for Target Employees who are not MRTs for the period referred to in paragraph 15(C)(i) which would otherwise be delivered in whole or in part in Target Shares shall, subject to any applicable regulatory requirement, be paid entirely in cash; and
- (F) without prejudice to the Bidders' obligations under paragraph 20 of this Schedule 1, for financial years starting after the Target financial year in which the Effective Date occurs, Target Employees will be eligible to participate in bonus arrangements operated by the Bidders to the extent consistent with their normal practice.

### **Severance arrangements**

16. The Bidders acknowledge and agree that where any Target Employee is served with (or serves) notice of a Qualifying Termination (as defined in paragraph 17 below) or is otherwise subject to a Qualifying Termination at any time during the period of 12 months from the Effective Date, the Target Employee will:
- (A) except for executive directors of the Target, be entitled to applicable redundancy and severance payments, benefits and arrangements that are no less favourable than those set out in the Target's Redundancy Practices;
  - (B) receive any bonus entitlement calculated on a pro-rata basis to the date of termination or, if required by law or consistent with the Target's Redundancy Practices, to the date upon which notice would have expired in the absence of a payment in lieu of notice;
  - (C) in respect of any outstanding awards under any Target and/or Bidder share plan in which the Target Employee participates, be treated as a good leaver (or any similar or equivalent concept); and
  - (D) be subject to any existing post-termination restrictive covenants in the Target Employee's contract of employment, provided that the Bidders agree that such restrictive covenants will be enforced or waived in accordance with the Target Group's policy, as notified in writing to the Bidders by the Target and acknowledged by the Bidders in writing prior to the date of this Agreement.
17. In this Schedule, a "**Qualifying Termination**" is:
- (A) any termination of employment by the employer other than for reason of the Target Employee's misconduct or where the employer is entitled pursuant to the employment contract to dismiss the Target Employee summarily without notice (or payment in lieu of notice);
  - (B) a termination by reason of the Target Employee's resignation in circumstances amounting to constructive dismissal; or

- (C) a termination by reason of the Target Employee's resignation where, without the Target Employee's express written consent: (a) the Target Employee's role and/or reporting level and/or status has been materially diminished; or (b) there is a material reduction in the Target Employee's base salary or wage, cash incentive compensation opportunities and equity incentive compensation opportunity (or a cash incentive with the same grant date fair value) (ignoring any retention awards referred to in paragraph 19 below), taken as a whole, or a material reduction in the Target Employee's benefits and allowance package, taken as a whole; or (c) a Target Employee's normal place of work is moved more than 25 miles from their previous place of work. In the event of any dispute about whether (a) or (b) applies to a particular Target Employee, the decision shall be referred to the Target's HR Director who shall, acting reasonably, determine the position.

- 18. In this Schedule, the "**Target's Redundancy Practices**" are the Target Group's established practices at the date of this Agreement as notified in writing by the Target Group to the Bidders and acknowledged by the Bidders in writing prior to the date of this Agreement.

#### **Retention bonuses**

- 19. The Bidders acknowledge that, for the purpose of protecting the business to be acquired pursuant to the Transaction, the Target Group may make cash retention awards (subject to any applicable regulatory requirements, which may include the making of non-cash awards) (over and above bonuses granted in line with historical practice and ordinary course operational retention awards within existing budgets) to Target Employees (excluding members of the Target Group Executive) whose retention is considered important to achieving completion of the Transaction or to business operations and continuity for the Target Group's business, provided that the total aggregate amount of those awards will be no more than an amount which is non-material in accounting terms and that has been notified to the Bidders in writing before the date of this Agreement. Any change to that total aggregate amount after the date of this Agreement must be agreed in writing with the Bidders. The Bidders agree that the Target will amend the remuneration policy of any member of the Target Group as required to permit the grant of retention awards. The Bidders and Target agree to cooperate, acting reasonably and in good faith, and in accordance with the principles agreed between them before the execution of this Agreement, to determine a suitable form in which to defer, after the Effective Date, any element of any such retention award that is required by law or regulation to be deferred in a form other than cash.

#### **Maintenance of Compensation and Benefits**

- 20. Save to the extent prohibited by mandatory regulatory requirements, the Bidders agree that they shall, or shall cause the relevant employing entity in the Bidders' Groups or the Target Group to, for the 12-month period immediately following the Effective Date:
  - (A) in respect of each Target Employee (as identified immediately prior to the Effective Date) who remains in employment within the Target Group or the Bidders' Groups, maintain at least the same base salary or wage rate, cash incentive compensation opportunities and equity incentive compensation opportunity (or a cash incentive with the same grant date fair value), but ignoring

any retention awards referred to in paragraph 19 above, taken as a whole, as were provided to each such employee immediately prior to the Effective Date; and

- (B) provide a benefits and allowance package which, taken as a whole, is at least substantially comparable in the aggregate to the existing benefits and allowances available to such Target Employee immediately prior to the Effective Date.

#### **Post-transaction deferral and adjustments**

21. The Bidders acknowledge and agree that the deferral of any variable remuneration payable to Target Employees (in respect of any variable remuneration granted prior to the Effective Date) shall be in accordance with the policy on such matters determined before the date of this Agreement by the Target Remuneration Committee and notified in writing to the Bidders, and acknowledged in writing by the Bidders, before the date of this Agreement.
22. The Bidders acknowledge and agree that the downward adjustment or recoupment of variable remuneration that (i) has been or is paid as at or immediately following the Effective Date, or (ii) in the case of variable remuneration that is currently in the form of shares, comes to be represented by cash following the vesting of those shares on or around the time of the grant of the Scheme Order and their acquisition pursuant to the Scheme, or (iii) is a payment from the retention pool referred to in paragraph 19 of this Schedule 1, shall be in accordance with the policy on such matters determined before the date of this Agreement by the Target Remuneration Committee and notified in writing to the Bidders, and acknowledged in writing by the Bidders, before the date of this Agreement.

**SCHEDULE 2**

**Firm Intention Announcement**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART  
IN OR INTO THE UNITED STATES**

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN  
PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD  
CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF  
THAT JURISDICTION**

**FOR IMMEDIATE RELEASE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**18 November 2020**

**RECOMMENDED CASH OFFER FOR RSA INSURANCE GROUP PLC**

**BY REGENT BIDCO LIMITED**

**(a wholly-owned subsidiary of Intact Financial Corporation)**

**AND ASSOCIATED SEPARATION OF RSA'S SCANDINAVIAN BUSINESS**

### **Summary**

- The boards of Regent Bidco Limited ("**Bidco**"), a wholly-owned subsidiary of Intact Financial Corporation ("**Intact**"), Tryg A/S ("**Tryg**"), and RSA Insurance Group plc ("**RSA**"), are pleased to announce that they have reached agreement on the terms of a recommended cash offer to be made by Bidco for the entire issued and to be issued share capital of RSA (the "**Acquisition**"), and the associated separation of RSA's Scandinavian Business following Completion, as further described below.
- Pursuant to the Transaction, Intact will retain RSA's Canadian, UK and international operations, Tryg will retain RSA's Swedish and Norwegian Businesses, and Intact and Tryg will co-own RSA's Danish Business on a 50/50 economic basis.
- It is intended that the Acquisition will be effected by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement).

### **Acquisition terms**

- Under the terms of the Acquisition, RSA Shareholders will be entitled to receive:  

<b>For each RSA Share</b>	<b>685 pence in cash</b>
	<b>(the "Cash Consideration")</b>
- In addition, RSA Shareholders will continue to be entitled to receive the Interim Dividend of 8 pence per RSA Share announced on 15 September 2020 and to be paid in December 2020.

- The terms of the Acquisition (including the Interim Dividend) represent:
  - a premium of approximately 51% to the Closing Price of 460 pence per RSA Share on 4 November 2020 (being the last Business Day prior to 5 November 2020, the date of the announcement of a possible offer by Intact and Tryg for RSA);
  - a premium of approximately 53% to the three month volume weighted average price of 453 pence per RSA Share to 4 November 2020 (being the last Business Day prior to 5 November 2020, the date of the announcement of a possible offer by Intact and Tryg for RSA);
  - a multiple of 15.6x RSA's 2019 underlying earnings per share (excluding UK and international exit portfolios); and
  - a multiple of 1.8x RSA's net asset value per share and of 2.3x RSA's tangible net asset value per share, in each case as at 30 June 2020.
- The Cash Consideration (which excludes the Interim Dividend) under the terms of the Acquisition values the entire issued and to be issued share capital of RSA at approximately £7.2 billion on a fully diluted basis.
- The Cash Consideration comprises:
  - c.£4.2 billion to be contributed by Tryg; and
  - c.£3.0 billion to be contributed by Intact.
- If, on or after the date of this announcement, any dividend and/or other distribution and/or return of capital (other than the Interim Dividend) is declared, made or paid or becomes payable in respect of the RSA Shares with a record date falling on or before the Scheme Record Time, Bidco reserves the right to reduce the Cash Consideration payable under the terms of the Acquisition for the RSA Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this announcement to the Cash Consideration payable under the terms of the Acquisition will be deemed to be a reference to the Cash Consideration as so reduced. In such circumstances, RSA Shareholders would be entitled to retain any such dividend and/or other distribution and/or return of capital.
- In connection with the Acquisition, Intact and Tryg have entered into a Collaboration Agreement with respect to the Acquisition and a Separation Agreement with respect to the Scandinavia Separation. Further information relating to these agreements is set out in paragraph 3 of this announcement.

### **Background to and reasons for the Transaction**

- The boards of Intact and Tryg believe that the combination of RSA's businesses with those of Intact and Tryg will be strategically compelling to all stakeholders. RSA has an ambition to drive towards "best-in-class" performance levels in its core areas. Intact and Tryg believe that the Transaction offers an exceptional opportunity for RSA to join forces with Intact and Tryg as best-in-class performers. Each of Intact and Tryg has a

robust understanding of the lines of business and the industry dynamics of RSA's operations in their respective home jurisdictions and, whilst Intact does not have presence in the UK, it has strengths in most P&C product segments in which RSA is active. Each of Intact and Tryg strongly believes that the Transaction offers it the opportunity to accelerate its strategic objectives. Moreover, each of Intact and Tryg has a proven track record of successfully integrating and creating long-term value from acquisitions.

### *Intact*

- With the Transaction, Intact is taking a significant step to accelerate its strategy and leadership. Through the acquisition of RSA's Canadian and UK and international ("UK&I") operations, annual premiums written are expected to increase from approximately CAN\$12 billion to approximately CAN\$20 billion.
- The Transaction expands Intact's leadership position in Canada. It boosts Intact's position in a competitive industry, where operational excellence is imperative for outperformance. It bolsters Intact's personal lines business and its continuing commitment to both the direct to consumer and broker channels while also enhancing its commercial lines business. The Transaction will enable Intact to further invest in innovation and develop and accelerate new customer experiences. As well, Intact will leverage its proven operating model, which includes best-in-class expertise in pricing, segmentation, risk selection, claims and supply chain management, and digital platforms.
- The Transaction bolsters Intact's North American specialty lines and adds international expertise in Europe. The combined specialty lines business is expected to represent over CAN\$4 billion in annual premiums and will benefit from an expanded product offering. As well, there is a strong opportunity to create global franchises in lines such as Marine, Specialty Property and E&O/D&O. The specialty lines platform will also benefit from a broader distribution footprint, providing existing specialty franchises with access to new regions and customers.
- Intact will acquire an attractive UK and Ireland franchise with strong industry positions, teams and brands. There is an attractive opportunity to contribute Intact's expertise in risk selection and claims management to improve underwriting performance. In the UK personal lines, RSA has a focus on personal property insurance with a top 5 industry position. There is a strong opportunity in both the UK and Ireland to drive value through Intact applying its customer driven and digital expertise to this business. In the UK commercial lines, RSA has a top 5 position, and attractive small-to-medium sized enterprise and affinity portfolios. In the UK and Ireland commercial lines there is an opportunity to share Intact's successful operating model to improve performance.
- In Europe, Intact intends to look for opportunities to apply its specialty insurance capabilities and operating model to drive value. As well, in the Middle East, Intact sees strong existing partnerships and attractive profitability.
- The Transaction will also strengthen Intact's outperformance with increased investment in its core capabilities of data, risk selection, claims and supply chain management.

- Intact's success has always been guided by its values and rooted in why it built the business – to help people. Intact's values, clear purpose, and belief that insurance is about people, not things, will ground it as it works to strengthen and grow the business over time.
- Following Completion, Intact intends to evolve its ten-year strategic roadmap to reflect five big objectives:
  - to expand its leadership position in Canada through leading customer experience, digital engagement and scale in distribution;
  - to build a specialty solutions leader with a growing and profitable mix of verticals, a specialised customer valuation proposition and expanded distribution;
  - to strengthen its acquired leading position in the UK and Ireland through focusing the footprint for outperformance, optimising underwriting performance and delivering leading customer experience;
  - to transform its competitive advantages in data, pricing, risk selection, claims and supply chain management, and strong capital and investment management expertise; and
  - to invest in its people, by continuing to be a best employer, a destination for top talent and experts, and to future-proof its people to succeed in a changing world.
- This Transaction accelerates Intact's strategy, which will fuel future growth and outperformance. Intact looks forward to being able to welcome RSA's employees to its family.
- The Transaction offers Intact a unique opportunity to create significant value for its shareholders, with an anticipated internal rate of return (IRR) above Intact's 15% threshold. The Transaction is expected to generate high single-digit NOIPS accretion in the first year, increasing to upper-teens within 36 months. Operating ROE is expected to be maintained at a mid-teens level in the medium term, with BVPS expected to increase in excess of 25% on Completion.
- Intact will maintain a strong capital position on Completion, with an estimated capital margin above CAN\$1.5 billion and an MCT above 194% in Canada, a Solvency II coverage ratio above 160% in the UK and an RBC above 400% in the US. Intact's debt to total capital ratio at Completion is expected to be approximately 26%, which is expected to fall to 20% within 36 months. Intact does not anticipate the Transaction and its planned financing structure to lead to a change in its current credit ratings.
- Intact is an experienced acquirer with a proven integration track record. Since 2010 it has acquired eight companies, welcoming 6,700 employees into its company and generating an average IRR above its 15% threshold. As well, its 2017 acquisition of OneBeacon in the US showcased Intact's ability to successfully deploy its operating model outside of Canada in specialty lines.

- The Transaction is expected to generate significant value through growth, loss ratio and expense ratio improvements across the operations. Over CAN\$250 million of pre-tax annual run rate synergies are expected within 36 months, before risk selection improvements. The acquisition of RSA's Canadian operations is expected to drive approximately 75% of the value creation, with UK&I operations accounting for approximately 20% and specialty lines accounting for approximately 5%. Intact intends to apply its expertise in digital, data and AI platforms, pricing and risk selection, claims management, and investment and capital management to RSA's platform to drive growth and profitability.
- Integration costs associated with the Transaction are expected to be between 1.5x to 1.7x of annual run rate synergies expected within 36 months of Completion.

### *Tryg*

- The Transaction represents a unique opportunity for Tryg to acquire a high quality franchise operating across attractive geographies. It will strengthen Tryg's position as the leading player across Scandinavia and deliver significant financial accretion for Tryg Shareholders.
- The combination with RSA's Swedish and Norwegian Businesses will create the largest P&C insurer in Scandinavia. The combined pro-forma premium base of DKK 32 billion represents an increase of 46% relative to Tryg's standalone premium income. The increased scale gives Tryg greater capacity to invest in operational excellence and digital capabilities, as well as further developments in the overall customer proposition. In turn, these best-in-class capabilities can then be leveraged across a larger and more diversified group.
- The Transaction will make Tryg one of the top 3 players in both Sweden and Norway. RSA's Swedish and Norwegian Businesses bring with them several well-recognised brands that will help to ensure that the combined Tryg Group maintains a strong and resilient presence within those countries – namely, Trygg-Hansa, Akksam, Sveland and Codan. This is symbolic of both the strong cultural fit of the two groups, their shared commitment to customer care and wellbeing, as well as a broader emphasis on social responsibility.
- The Transaction will significantly increase Tryg's diversification across a range of fronts, particularly in terms of geographical revenue and profit contribution, class of business diversification and broader distribution capabilities. It is expected that RSA's Swedish and Norwegian Businesses will each contribute c.45-50% and c.10% of pro-forma technical result of DKK 6.3 billion for the combined Tryg Group, in contrast to the current reliance on Denmark which currently drives c.70% of Tryg's standalone technical result. In terms of profit drivers, RSA's Swedish and Norwegian Businesses' leading personal accident business represents an extremely profitable book with low correlations to Tryg's existing portfolio, driving material diversification of underwriting profit, as well as potential capital synergies across the combined group over time. RSA's Swedish and Norwegian Businesses will also add complementary distribution via their range of affinity partners across both Sweden and Norway, as well as their compelling direct distribution capability.

- Tryg's extensive knowledge of the Swedish and Norwegian markets should allow for a seamless combination of the acquired operations and reduce execution risk. Allied with Tryg's track record and experience of in-market combinations from previous transactions, in particular the recent successful Alka acquisition, this is expected to support significant value creation for Tryg Shareholders. Tryg expects to generate annualised pre-tax synergies of DKK 900 million (GBP equivalent of approximately £109 million) in 2024 (phased 2021 c. DKK 60 million, 2022 c. DKK 350 million, 2023 c. DKK 650 million).
- Cost synergies primarily stem from lower administration and distribution costs and scale advantages in procurement, and are expected to make up approximately 80% of the estimated annual run-rate synergies. Revenue synergies are expected to be realised through leveraging best practices across the enlarged group. Of the total pre-tax run-rate synergies, administration and distribution is the largest bucket at DKK 370 million, followed by procurement (DKK 220 million), claims (DKK 140 million), and commercial (DKK 170 million).
- Geographically, the majority of synergies are expected to be realised in Sweden, accounting for DKK 500 million and driven primarily by procurement excellence, IT savings and position reductions across the combined group. Norway is expected to contribute DKK 250 million, and Denmark and Tryg Group DKK 150 million. Tryg would expect that to a certain extent position reductions will be realised through voluntary redundancies, natural attrition and elimination of vacant roles across the combined group.
- Restructuring and integration costs, which include costs for the separation of Sweden and Norway out of RSA's Danish legal entities are expected to be around DKK 1,500 million pre-tax, and will be largely incurred in the quarter of the closing of the Transaction. Total transaction costs are expected to amount to approximately DKK 4,400 million, which includes restructuring, integration, separation and other transaction costs. Post-Acquisition, Tryg expects its pro forma Solvency II Ratio on its partial internal model to be above 170% by year end 2021, based on an expected Group solvency capital requirement of DKK 8.5-9.0 billion.
- As a result of the Transaction, Tryg's total invested assets will increase by approximately 60% to approximately DKK 67 billion, and free portfolio will increase from approximately DKK 11.1 billion to DKK 16.9 billion (Norway DKK 4.1 billion, Denmark DKK 6.9 billion, Sweden DKK 5.9 billion). Following the Transaction, Tryg's approach to investments and risk appetite will remain unchanged and acquired portfolios will gradually be adjusted to match Tryg's approach.
- The Transaction is expected to be attractive for all of Tryg's stakeholder groups – including TryghedsGruppen (which currently holds 60% of the ordinary shares in Tryg and makes annual contributions to projects that create peace of mind via TrygFonden) and other Tryg Shareholders, customers and employees. A combination of the synergy potential across the combined group alluded to above and the attractive underlying franchise is expected to drive an ROI of approximately 7%. The proposed financing structure and Tryg's valuation premium are expected to drive high teens EPS accretion by 2023 and a material increase in dividend capacity, whereby the dividend policy of Tryg will remain unchanged following the Transaction and the absolute size of the

dividends is targeted to broadly double in the medium term.<sup>1</sup> This is a key driver of value creation for Tryg Shareholders given the relatively low organic growth profile of the Nordic P&C sector and the importance of the dividend to Tryg's investors.

### *RSA's Danish Business*

- RSA's Danish Business is one of the leading insurers in Denmark's non-life sector, and has demonstrated significant recent forward momentum. Intact sees an opportunity to sustain personal lines operating performance and to continue to improve commercial lines. Intact believes RSA's Danish Business has all the elements required to ensure that it could be successfully run as a standalone entity and Intact intends to retain the operational functions currently serving Denmark as well as its facilities.
- Intact will have responsibility for the operation and management of RSA's Danish Business (subject to protections consistent with Tryg's non-controlling interest in RSA's Danish Business). Tryg and RSA's Danish Business will remain completely separate independent companies and competitors at all times.
- Intact intends to support RSA's Danish Business in continuing its positive trajectory, whilst it assesses strategic alternatives for the business (which may include exploring a sale if there is compelling interest from potential buyers or an IPO). Tryg would be supportive of a sale process being undertaken by Intact if there is compelling interest from potential buyers, or an IPO.

### **Recommendation**

- The RSA Directors, who have been so advised by Goldman Sachs International, Robey Warshaw LLP and BofA Securities as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the RSA Directors, Goldman Sachs International, Robey Warshaw LLP and BofA Securities have taken into account the commercial assessments of the RSA Directors.
- Accordingly, the RSA Directors intend to recommend unanimously that RSA Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the RSA General Meeting, as the RSA Directors who hold RSA Shares or RSA ADRs have irrevocably undertaken to do in respect of their own beneficial holdings totalling 1,337,607 RSA Shares and RSA ADRs (representing approximately 0.13% of the existing issued ordinary share capital of RSA as at 16 November 2020 (being the last practicable date prior to the date of this announcement)).

### **Irrevocable undertakings**

- In addition to the irrevocable undertakings from RSA Directors described above, Bidco and Tryg have received an irrevocable undertaking from Cevian Capital II Master Fund L.P. to vote, or procure votes, in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the RSA General Meeting (or, in the event that

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<sup>1</sup> EPS accretion is calculated before any impact from intangible amortisation and such impact would not affect Tryg's dividend-paying ability nor its capacity. 2021 will be a transitional year.

the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer), in respect of 154,160,715 RSA Shares in aggregate, representing approximately 14.9% of the existing issued share capital of RSA as at 16 November 2020 (being the last practicable date prior to the date of this announcement).

- In total therefore, Bidco and Tryg have procured irrevocable undertakings to vote, or procure votes, in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the RSA General Meeting (or in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in respect of, in aggregate, 155,498,322 RSA Shares and RSA ADRs (representing approximately 15.0% of existing issued ordinary share capital of RSA) as at 16 November 2020 (being the last practicable date prior to this announcement).

### **Information relating to Intact**

- Intact Financial Corporation (TSX: IFC) is the largest provider of property and casualty (P&C) insurance in Canada and a leading provider of specialty insurance in North America, with approximately CAN\$12 billion in total annual premiums. Intact has over 16,000 employees who serve more than five million personal, business and public sector clients through offices in Canada and the United States. In Canada, Intact distributes insurance under the Intact Insurance brand through a wide network of brokers, including its wholly-owned subsidiary BrokerLink, and directly to consumers through its belairdirect brand. Its acquisition of Frank Cowan Company Limited in 2019 has enhanced Intact's MGA platform to manufacture and distribute public entity insurance products, adding to Intact's offering in Canada. In the United States, Intact Insurance Specialty Solutions provides a range of specialty insurance products and services through independent agencies, regional and national brokers, and wholesalers and managing general agencies. Products are underwritten by the insurance company subsidiaries of Intact Insurance Group USA, LLC.

### **Information relating to Tryg and TryghedsGruppen**

- Tryg is one of the leading non-life insurance companies in the Nordic region with activities in Denmark, Norway and Sweden. Tryg received total premiums of DKK 21.7 billion (approx. EUR 3 billion) in 2019 and is active in the private, commercial and corporate segments across the Nordic region. Tryg provides coverage to 4 million customers on a daily basis. Tryg is listed on Nasdaq Copenhagen.
- TryghedsGruppen is currently the legal or beneficial owner of 181,288,181 Tryg shares, representing approximately 60% of the existing issued ordinary share capital in Tryg and makes annual contributions to projects that increase security in Denmark within the core areas of safety, health and welfare. In 2020, TryghedsGruppen will contribute up to DKK 650 million via TrygFonden towards this cause.

### **Timetable and Conditions**

- It is intended that the Acquisition will be implemented by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement).

- The Acquisition will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and to be set out in full in the Scheme Document. The Conditions include (among others):
  - approvals of RSA Shareholders at the RSA Meetings;
  - receipt of the required regulatory clearances to implement the Acquisition Completion Holding Structure, including financial regulatory clearances in Canada, the UK, Denmark and Sweden, and the required antitrust clearances in order to effect the Transaction, including antitrust clearances in Canada, Denmark, Sweden and Norway;
  - the passing at the Tryg General Meeting (or at any adjournment of such meeting) of such resolution or resolutions as are required by Danish law to authorise the board of Tryg to increase Tryg's share capital in order to effect and implement the Tryg Rights Issue as further described in paragraph 12;
  - admission of new Tryg shares pursuant to the Tryg Rights Issue as further described in paragraph 12;
  - the sanction of the Scheme by the Court; and
  - the re-registration of RSA as a private limited company.
- RSA, Intact, Bidco and Tryg have received an irrevocable voting undertaking from TryghedsGruppen to: vote, or procure votes, in favour of the shareholder resolutions required in connection with the Tryg Rights Issue in respect of a minimum of 160,138,436 Tryg shares (representing approximately 53% of the existing issued ordinary share capital of Tryg as at 16 November 2020 (being the last practicable date prior to the date of this announcement)). TryghedsGruppen is currently the legal or beneficial owner of 181,288,181 Tryg shares, representing approximately 60% of the existing issued ordinary share capital of Tryg as at 16 November 2020 (being the last practicable date prior to the date of this announcement); to the extent that it continues to hold shares in excess of the minimum of 160,138,436 at the relevant time, TryghedsGruppen has agreed to vote those shares in favour of the required resolutions.
- TryghedsGruppen has also provided an irrevocable subscription undertaking to Tryg, Morgan Stanley and Danske Bank to: (i) subscribe for new shares in the Tryg Rights Issue for a cash amount totalling DKK 6.0 billion (the "**Committed Amount**"); (ii) use all reasonable endeavours to obtain additional funds which, if raised, would be used to subscribe for new shares in the Tryg Rights Issue and would bring the total subscription by TryghedsGruppen to no less than DKK 9 billion; (iii) subscribe for further new shares in the Tryg Rights Issue by way of exercise of pre-emptive rights on a cash neutral basis using the net proceeds from the sale of existing Tryg shares, which could occur at any time, subject to market conditions (such subscriptions to be in excess of the cash amount referenced in (i) and (ii) above); and (iv) subscribe for further new shares in the Tryg Rights Issue by way of exercise of pre-emptive rights on a cash neutral basis using the net proceeds from the sale of excess pre-emptive rights. As part of the subscription undertaking, TryghedsGruppen has agreed that it will maintain a minimum shareholding of 160,138,436 Tryg shares until conclusion of the Tryg Rights Issue, representing approximately 53% of the existing issued ordinary share capital of

Tryg as at 16 November 2020 (being the last practicable date prior to the date of this announcement).

- It is expected that the Scheme Document, containing further information about the Transaction and notices of the Court Meeting and RSA General Meeting, together with the associated forms of proxy, will be sent to RSA Shareholders within 28 days of this announcement (or such later time as RSA, Bidco and the Panel agree) and the RSA Meetings are expected to be held as soon as practicable thereafter, expected to be in mid-January 2021. The Acquisition is expected to complete during the second quarter of 2021, subject to receipt of the relevant approvals or clearances from the RSA Shareholders, the Tryg Shareholders and the relevant regulatory and antitrust authorities, the completion of the Tryg Rights Issue and the satisfaction or (where capable of waiver) the waiver of the other Conditions. An expected timetable of key events relating to the Acquisition will be provided in the Scheme Document.

Commenting on the Transaction, Charles Brindamour, CEO of Intact, said:

*"This Transaction is highly strategic for Intact and today we have reached an important milestone. Acquiring RSA's strong businesses will expand our leadership position in Canada, build on our expertise in specialty lines, and provide a substantial opportunity to build on the UK and international operations. Intact has strong advantages in data, risk-selection and claims management that benefit our customers, and we plan to leverage these across the businesses."*

*"With their skills and experience, RSA's employees will join us in helping people, businesses and society prosper in good times and be resilient in bad times. We look forward to welcoming these employees to Intact and working together in the years ahead."*

*"At Intact, our success has always been guided by our values and rooted in why we built our business – to help people. Our values and clear purpose guide us as we work to complete this Transaction to strengthen and grow the business."*

Morten Hübbe, Group CEO of Tryg, said:

*"We are pleased to be formalising our offer for RSA's Swedish and Norwegian franchise. These are excellent companies, with fantastic people, well-regarded brands, happy and loyal customers, and strong financial results. We believe that these businesses will continue to flourish and grow under our ownership, as we invest and leverage our expertise to help them become even more competitive and customer-focused. We share common cultures and values, particularly with regards to social responsibility, and we look forward to welcoming these companies, their people and their customers into the Tryg family."*

*"We also believe that this Transaction will create significant value for our shareholders. Tryg will become the largest P&C insurance company in the highly attractive Scandinavian market and one of the top-3 players in Sweden and Norway. It will make us more diversified, both in terms of geography and source of earnings. Our deep knowledge of these markets makes us ideally placed to integrate, operate and enhance the value of our combined group over the long-term."*

*"We are grateful to the board of RSA for their positive engagement throughout this process, and their recommendation of our offer. We look forward to consulting with our shareholders"*

*and other stakeholder groups in the weeks ahead to progress and ultimately to successfully complete the Transaction."*

Martin Scicluna, Chairman of RSA, said:

*"The board of RSA is pleased to be recommending Intact and Tryg's cash offer for the company, which delivers attractive, certain value for our shareholders. The offer reflects the strength and performance of RSA during a challenging period for our industry, representing a significant premium in cash. We believe that our staff, our businesses and our customers can prosper under the stewardship of Intact and Tryg, two great businesses with long histories and strong reputations."*

*"RSA has provided peace of mind to individuals and protected businesses from risk for more than 300 years. That history has seen significant consolidation in the insurance industry, a process that continues today. However, I am confident that the values of our business, and not least our dedication to serving customers well, will be sustained as part of Intact and Tryg."*

**This summary should be read in conjunction with the following announcement and the Appendices. The Conditions to, and certain further terms of, the Acquisition are set out in Appendix 1. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2. Details of irrevocable undertakings received by Bidco and Tryg are set out in Appendix 3. Certain definitions and terms used in this announcement are set out in Appendix 4.**

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Clifford Chance LLP is acting as English law legal adviser, Gorrissen Federspiel Advokatpartnerselskab is acting as Danish law legal adviser and Blake, Cassels & Graydon LLP is acting as Canadian law legal adviser to Intact and Bidco.

CIBC Capital Markets is also acting as financial adviser to Intact.

Herbert Smith Freehills LLP is acting as English law legal adviser and Plesner Advokatpartnerselskab is acting as Danish law legal adviser and Davies Ward Phillips & Vineberg LLP is acting as Canadian law legal adviser to Tryg.

Slaughter and May is acting as English law legal adviser to RSA, Bech-Bruun is acting as Danish law legal adviser to RSA and Stikeman Elliott LLP is acting as Canadian law legal adviser to RSA.

#### **Further information**

*Barclays Bank PLC, acting through its Investment Bank ("**Barclays**"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority, is acting exclusively for Intact and Bidco and no one else in connection with the matters described herein and will not be responsible to anyone other than Intact and Bidco for providing the protections afforded to clients of Barclays nor for providing advice in relation to the matters described herein or any other matter referred to herein.*

*In accordance with the Takeover Code, normal United Kingdom market practice and Rule 14e-5(b) of the United States Securities Exchange Act of 1934 (the "**US Exchange Act**"), Barclays and its affiliates will continue to act as exempt principal trader in RSA securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Takeover Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.*

*CIBC, a bank incorporated in Canada pursuant to the Bank Act (Canada) and supervised and regulated by the Office of the Superintendent of Financial Institutions Canada, and CIBC Capital Markets, which is a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada, are acting for Intact and for no one else in connection with the Transaction and will not be responsible to anyone other than Intact for providing the protections afforded to clients of CIBC or CIBC Capital Markets (as applicable) or for providing advice in relation to the Transaction, the content of this announcement or any matter or other document referred to herein. Neither CIBC, CIBC Capital Markets, nor any of their affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of CIBC or CIBC Capital Markets (as applicable) in connection with this announcement, any statement contained herein, the Transaction or otherwise.*

*Morgan Stanley & Co. International plc ("**Morgan Stanley**") which is authorised by the PRA and regulated by the FCA and PRA in the UK is acting as financial adviser exclusively for Tryg and no one else in connection with the matters set out in this announcement. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any other person for providing the protections afforded to their clients or for providing advice in connection with the contents of this announcement or any other matter referred to herein.*

*Merrill Lynch International ("**BofA Securities**"), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as financial adviser and corporate broker exclusively for RSA and no one else in connection with the matters described herein and will not be responsible to anyone other than RSA for providing the protections afforded to clients of BofA Securities nor for providing advice in relation to the matters referred to in this announcement.*

*Robey Warshaw LLP, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for RSA and no one else in connection with the matters referred to in this announcement and will not regard any other person as its client in relation to the matters referred to in this announcement and will not be responsible to anyone other than RSA for providing the protections afforded to clients of Robey Warshaw LLP, nor for providing advice in relation to the matters referred to in this announcement.*

*Goldman Sachs International, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting exclusively for RSA and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than RSA for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in relation to the matters referred to in this announcement.*

*This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any voting decision in respect of, or other response to the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document).*

*This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.*

*This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933 (the "US Securities Act"), as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.*

### **Overseas Shareholders**

*This announcement has been prepared in accordance with English law, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.*

*The Acquisition will be subject to, amongst other things, the applicable rules and regulations of the FCA, the London Stock Exchange, the Takeover Code and the Panel.*

*The availability of the Acquisition to RSA Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their RSA Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

#### **Notice to US investors in RSA**

*The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules.*

*If, in the future, Bidco exercises its right to implement the Acquisition by way of a Takeover Offer, which is to be made into the US, such Takeover Offer will be made in compliance with the applicable US laws and regulations, including Section 14(e) and Regulation 14E under the US Exchange Act, subject to the exemptions provided by Rule 14d-1(c)/(d), if available.*

*It may be difficult for US holders of RSA Shares and RSA ADR Holders to enforce their rights and any claim arising out of the US federal securities laws in connection with the Acquisition, since Bidco, RSA and the majority of the business and assets of Intact are located in non-US jurisdictions, and some or all of their officers and directors may be residents of non-US jurisdictions. US holders of RSA Shares and RSA ADR Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*Any securities offered as part of the Tryg Rights Issue will not be registered under the US Securities Act and may not be offered or sold in, or into, the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act.*

*The financial information included in this announcement has been prepared in accordance with accounting standards applicable in the United Kingdom, Canada or Denmark (as applicable) and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted*

*accounting principles in the US ("US GAAP"). US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom, Canada or Denmark. None of the financial information in this announcement has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).*

*Neither the Acquisition nor this announcement have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this announcement or the merits of this Acquisition. Any representation to the contrary is a criminal offence in the US.*

*The receipt of consideration pursuant to the Acquisition by a US holder of RSA Shares or a RSA ADR Holder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each RSA Shareholder and RSA ADR Holder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him or her.*

*To the extent permitted by applicable law, in accordance with normal UK market practice, Bidco or its nominees or brokers (acting as agents) or their respective affiliates may from time to time make certain purchases of, or arrangements to purchase, shares or other securities other than pursuant to the Acquisition, at any time prior to Completion. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any such purchases, or arrangements to purchase, will comply with all applicable rules, including the Takeover Code and Rule 14e-5 under the US Exchange Act. To the extent required by the applicable law, any information about such purchases will be disclosed on a next day basis to a Regulatory Information Service including the Regulatory News Service on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com). To the extent that such information is made public in the United Kingdom, this information will also be deemed to be publicly disclosed in the United States.*

### **Forward-looking statements**

*This announcement (including any information incorporated by reference in this announcement), oral statements made regarding the Transaction, and other information published by Bidco, Intact, Tryg and/or RSA contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco, Intact, Tryg and/or RSA (as applicable) about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Transaction on Bidco, Intact, Tryg and RSA (including their future prospects, developments and strategies), the expected timing and scope of the Transaction and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "strategy", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved (or, in*

*each case, their negative or other variations). Although Bidco, Intact, Tryg or RSA (as applicable in relation to forward-looking statements relating to each of them or their respective affiliates) believe that the expectations reflected in such forward-looking statements are reasonable, none of Bidco, Intact, Tryg or RSA (as applicable) can give assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Transaction; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; as future market conditions, changes in general economic and business conditions, the behaviour of other market participants, the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Bidco, Intact, Tryg and RSA operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Bidco, Intact, Tryg and RSA operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco, Intact, Tryg, or RSA, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, none of Bidco, Intact, Tryg, or RSA is under any obligation, and Bidco, Intact, Tryg and RSA expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### **No profit forecasts, estimates or quantified benefits statements**

*Nothing in this announcement is intended, or is to be construed, as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Intact, Tryg or RSA for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for the relevant company.*

### **Disclosure requirements of the Takeover Code**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm on the 10th Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm on the 10th Business Day following the*

*announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on a website**

*This announcement and the documents required to be published pursuant to Rule 26 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Intact's website at [www.Intactfc.com](http://www.Intactfc.com), Tryg's website at [www.Tryg.com](http://www.Tryg.com) and on RSA's website at [www.rsagroup.com](http://www.rsagroup.com) promptly and in any event by no later than 12 noon on the Business Day following the publication of this announcement. The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, RSA Shareholders, persons with information rights and participants in the RSA Share Plans may request a hard copy of this announcement by contacting RSA's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, during business hours, on 0371 3842048. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such*

*persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.*

### **Electronic Communications**

*Please be aware that addresses, electronic addresses and certain other information provided by RSA Shareholders, persons with information rights and other relevant persons for the receipt of communications from RSA may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c).*

### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART  
IN OR INTO THE UNITED STATES**

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PART, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD  
CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF  
THAT JURISDICTION**

**FOR IMMEDIATE RELEASE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**18 November 2020**

**RECOMMENDED CASH OFFER FOR RSA INSURANCE GROUP PLC**

**BY REGENT BIDCO LIMITED**

**(a wholly-owned subsidiary of Intact Financial Corporation)**

**AND ASSOCIATED SEPARATION OF RSA'S SCANDINAVIAN BUSINESS**

**1. Introduction**

The boards of Regent Bidco Limited ("**Bidco**"), a wholly-owned subsidiary of Intact Financial Corporation ("**Intact**"), Tryg A/S ("**Tryg**"), and RSA Insurance Group plc ("**RSA**") are pleased to announce that they have reached agreement on the terms of a recommended cash offer to be made by Bidco for the entire issued and to be issued share capital of RSA (the "**Acquisition**"), and the associated separation of RSA's Scandinavian Business following Completion, as further described below.

Pursuant to the Transaction, Intact will retain RSA's Canadian, UK and international operations, Tryg will retain RSA's Swedish and Norwegian Businesses, and Intact and Tryg will co-own RSA's Danish Business on a 50/50 economic basis.

It is intended that the Acquisition will be effected by way of a court-sanctioned scheme of arrangement under Part 26 of the Companies Act (although Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement).

**2. The Acquisition**

The Acquisition, which will be on the terms and subject to the Conditions and further terms set out in Appendix 1 to this announcement, and to be set out in full in the Scheme Document, will be made on the following basis:

**For each RSA Share**

**685 pence in cash**

**(the "Cash Consideration")**

In addition, RSA Shareholders will continue to be entitled to receive the Interim Dividend of 8 pence per RSA Share announced on 15 September 2020 and to be paid in December 2020.

The terms of the Acquisition (including the Interim Dividend) represent:

- a premium of approximately 51% to the Closing Price of 460 pence per RSA Share on 4 November 2020 (being the last Business Day prior to 5 November 2020, the date of the announcement of a possible offer by Intact and Tryg for RSA);
- a premium of approximately 53% to the three month volume weighted average price of 453 pence per RSA Share to 4 November 2020 (being the last Business Day prior to 5 November 2020, the date of the announcement of a possible offer by Intact and Tryg for RSA);
- a multiple of 15.6x RSA's 2019 underlying earnings per share (excluding UK and international exit portfolios); and
- a multiple of 1.8x RSA's net asset value per share and of 2.3x RSA's tangible net asset value per share, in each case as at 30 June 2020.

The Cash Consideration (which excludes the Interim Dividend) under the terms of the Acquisition values the entire issued and to be issued share capital of RSA at approximately £7.2 billion on a fully diluted basis.

The Cash Consideration comprises:

- c.£4.2 billion to be contributed by Tryg; and
- c.£3.0 billion to be contributed by Intact.

If, on or after the date of this announcement, any dividend and/or other distribution and/or return of capital (other than the Interim Dividend) is declared, made or paid or becomes payable in respect of the RSA Shares with a record date falling on or before the Scheme Record Time, Bidco reserves the right to reduce the Cash Consideration payable under the terms of the Acquisition for the RSA Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this announcement to the Cash Consideration payable under the terms of the Acquisition will be deemed to be a reference to the Cash Consideration as so reduced. In such circumstances, RSA Shareholders would be entitled to retain any such dividend and/or other distribution and/or return of capital.

### 3. **Consortium Arrangements**

#### *Collaboration Agreement*

Bidco, Intact and Tryg have entered into a collaboration agreement on the date of this announcement (the "**Collaboration Agreement**"), pursuant to which they have agreed to co-operate to implement the Acquisition. The terms of the Collaboration Agreement include an agreement by the parties to use reasonable efforts to obtain the merger

control and regulatory approvals necessary for the Acquisition for which they are each responsible, and for Tryg to carry out the Tryg Rights Issue and obtain the necessary related approvals, and for the parties to share information necessary for such approvals. The parties also agree not to enter into any transaction or take any action which would reasonably be expected to prejudice or delay satisfaction of the Conditions. In addition, the Collaboration Agreement contains restrictions on the actions that may be taken by Bidco without Tryg's consent. Intact or Bidco may only waive (if capable of waiver) or invoke any Tryg Condition or Joint Condition, with Tryg's consent. Tryg has the right to direct Intact or Bidco to seek the Panel's consent to invoke any Tryg Condition.

### *Separation Agreement*

In connection with the Scandinavia Separation, Intact, Bidco and Tryg (amongst others) have entered into a separation agreement on the date of this announcement (the "**Separation Agreement**"), pursuant to which, conditional upon (amongst other things) Completion, Intact and Tryg have agreed that RSA's Swedish and Norwegian Businesses shall be transferred to the control of Tryg, with Intact and Tryg co-owning RSA's Danish Business on a 50/50 economic basis.

Bidco, Tryg and RSA have agreed that it will be a term of the Scheme that, subject to applicable law, RSA's Scandinavian Business will be separated from the RSA Group (the "**Scandinavia Carve-Out**") at Completion. The Scandinavia Carve-Out will be effected through the contribution of Codan Holdings by RIIH to Scandi JVco (a Danish company owned jointly by Intact and Tryg) in consideration for the issue of shares in Scandi JVco, and the subsequent transfer of those shares in Scandi JVco to members of the Intact Group and the Tryg Group. Following the Scandinavia Carve-Out, it is intended that an intragroup reorganisation will take place, resulting in a structure in which Scandi JVco holds Codan Holdings, and in turn Scandi JVco is held c.89.3% by Tryg (c.78.6% directly and c.10.7% indirectly through Scandi JVco2) and c.10.7% indirectly by Intact through Scandi JVco2 (the "**Acquisition Completion Holding Structure**"). In order to provide certainty that the Scandinavia Carve-Out will take place upon Completion and that the intragroup reorganisation can be implemented to achieve the Acquisition Completion Holding Structure, the Scheme will contain undertakings from (amongst others) Intact, Bidco, Tryg and RSA to carry out the steps necessary to effect the Scandinavia Carve-Out and implement certain other steps as part of the intragroup reorganisation necessary to achieve the Acquisition Completion Holding Structure. It will be a Condition to the Scheme that, prior to implementing these steps, RSA has re-registered as a private limited company under the Companies Act 2006. Such re-registration will take place only after the Court has sanctioned the Scheme and issued the Court Order.

Following Completion, and once the Scandinavia Carve-Out has occurred, it is intended that a demerger will take place to deliver RSA's Swedish and Norwegian Businesses to Tryg, with RSA's Danish Business to be co-owned by Intact and Tryg, via their respective holdings in Scandi JVco2 (the "**Demerger**"). It is expected that the Demerger will be finalised during the first quarter of 2022.

Intact intends that, pending an assessment of the available strategic alternatives for RSA's Danish Business (which may include exploring a sale if there is compelling interest from potential buyers or an IPO), it will be operated in the ordinary course and in accordance with existing business plans in place at Completion. Tryg would be

supportive of a sale process being undertaken by Intact if there is compelling interest from potential buyers, or an IPO. Tryg and RSA's Danish Business will remain completely separate independent companies and competitors.

#### 4. **Background to and reasons for the Transaction**

The boards of Intact and Tryg believe that the combination of RSA's businesses with those of Intact and Tryg will be strategically compelling to all stakeholders. RSA has an ambition to drive towards "best-in-class" performance levels in its core areas. Intact and Tryg believe that the Transaction offers an exceptional opportunity for RSA to join forces with Intact and Tryg as best-in-class performers. Each of Intact and Tryg has a robust understanding of the lines of business and the industry dynamics of RSA's operations in their respective home jurisdictions and, whilst Intact does not have presence in the UK, it has strengths in most P&C product segments in which RSA is active. Each of Intact and Tryg strongly believes that the Transaction offers it the opportunity to accelerate its strategic objectives. Moreover, each of Intact and Tryg has a proven track record of successfully integrating and creating long-term value from acquisitions.

##### *Intact*

With the Transaction, Intact is taking a significant step to accelerate its strategy and leadership. Through the acquisition of RSA's Canadian and UK and international ("UK&I") operations, annual premiums written are expected to increase from approximately CAN\$12 billion to approximately CAN\$20 billion.

The Transaction expands Intact's leadership position in Canada. It boosts Intact's position in a competitive industry, where operational excellence is imperative for outperformance. It bolsters Intact's personal lines business and its continuing commitment to both the direct to consumer and broker channels while also enhancing its commercial lines business. The Transaction will enable Intact to further invest in innovation and develop and accelerate new customer experiences. As well, Intact will leverage its proven operating model, which includes best-in-class expertise in pricing, segmentation, risk selection, claims and supply chain management, and digital platforms.

The Transaction bolsters Intact's North American specialty lines and adds international expertise in Europe. The combined specialty lines business is expected to represent over CAN\$4 billion in annual premiums and will benefit from an expanded product offering. As well, there is a strong opportunity to create global franchises in lines such as Marine, Specialty Property and E&O/D&O. The specialty lines platform will also benefit from a broader distribution footprint, providing existing specialty franchises with access to new regions and customers.

Intact will acquire an attractive UK and Ireland franchise with strong industry positions, teams and brands. There is an attractive opportunity to contribute Intact's expertise in risk selection and claims management to improve underwriting performance. In the UK personal lines, RSA has a focus on personal property insurance with a top 5 industry position. There is a strong opportunity in both the UK and Ireland to drive value through Intact applying its customer driven and digital expertise to this business. In the UK commercial lines, RSA has a top 5 position, and attractive small-to-medium sized

enterprise and affinity portfolios. In the UK and Ireland commercial lines there is an opportunity to share Intact's successful operating model to improve performance.

In Europe, Intact intends to look for opportunities to apply its specialty insurance capabilities and operating model to drive value. As well, in the Middle East, Intact sees strong existing partnerships and attractive profitability.

The Transaction will also strengthen Intact's outperformance with increased investment in its core capabilities of data, risk selection, claims and supply chain management.

Intact's success has always been guided by its values and rooted in why it built the business – to help people. Intact's values, clear purpose, and belief that insurance is about people, not things, will ground it as it works to strengthen and grow the business over time.

Following Completion, Intact intends to evolve its ten-year strategic roadmap to reflect five big objectives:

- to expand its leadership position in Canada through leading customer experience, digital engagement and scale in distribution;
- to build a specialty solutions leader with a growing and profitable mix of verticals, a specialised customer valuation proposition and expanded distribution;
- to strengthen its acquired leading position in the UK and Ireland through focusing the footprint for outperformance, optimising underwriting performance and delivering leading customer experience;
- to transform its competitive advantages in data, pricing, risk selection, claims and supply chain management, and strong capital and investment management expertise; and
- to invest in its people, by continuing to be a best employer, a destination for top talent and experts, and to future-proof its people to succeed in a changing world.

This Transaction accelerates Intact's strategy, which will fuel future growth and outperformance. Intact looks forward to being able to welcome RSA's employees to its family.

The Transaction offers Intact a unique opportunity to create significant value for its shareholders, with an anticipated internal rate of return (IRR) above Intact's 15% threshold. The Transaction is expected to generate high single-digit NOIPS accretion in the first year, increasing to upper-teens within 36 months. Operating ROE is expected to be maintained at a mid-teens level in the medium term, with BVPS expected to increase in excess of 25% on Completion.

Intact will maintain a strong capital position on Completion, with an estimated capital margin above CAN\$1.5 billion and an MCT above 194% in Canada, a Solvency II coverage ratio above 160% in the UK and an RBC above 400% in the US. Intact's debt to total capital ratio at Completion is expected to be approximately 26%, which is

expected to fall to 20% within 36 months. Intact does not anticipate the Transaction and its planned financing structure to lead to a change in its current credit ratings.

Intact is an experienced acquirer with a proven integration track record. Since 2010 it has acquired eight companies, welcoming 6,700 employees into its company and generating an average IRR above its 15% threshold. As well, its 2017 acquisition of OneBeacon in the US showcased Intact's ability to successfully deploy its operating model outside of Canada in specialty lines.

The Transaction is expected to generate significant value through growth, loss ratio and expense ratio improvements across the operations. Over CAN\$250 million of pre-tax annual run rate synergies are expected within 36 months, before risk selection improvements. The acquisition of RSA's Canadian operations is expected to drive approximately 75% of the value creation, with UK&I operations accounting for approximately 20% and specialty lines accounting for approximately 5%. Intact intends to apply its expertise in digital, data and AI platforms, pricing and risk selection, claims management, and investment and capital management to RSA's platform to drive growth and profitability.

Integration costs associated with the Transaction are expected to be between 1.5x to 1.7x of annual run rate synergies expected within 36 months of Completion.

### *Tryg*

The Transaction represents a unique opportunity for Tryg to acquire a high quality franchise operating across attractive geographies. It will strengthen Tryg's position as the leading player across Scandinavia and deliver significant financial accretion for Tryg Shareholders.

The combination with RSA's Swedish and Norwegian Businesses will create the largest P&C insurer in Scandinavia. The combined pro-forma premium base of DKK 32 billion represents an increase of 46% relative to Tryg's standalone premium income. The increased scale gives Tryg greater capacity to invest in operational excellence and digital capabilities, as well as further developments in the overall customer proposition. In turn, these best-in-class capabilities can then be leveraged across a larger and more diversified group.

The Transaction will make Tryg one of the top 3 players in both Sweden and Norway. RSA's Swedish and Norwegian Businesses bring with them several well-recognised brands that will help to ensure that the combined Tryg Group maintains a strong and resilient presence within those countries – namely, Trygg-Hansa, Akksam, Sveland and Codan. This is symbolic of both the strong cultural fit of the two groups, their shared commitment to customer care and wellbeing, as well as a broader emphasis on social responsibility.

The Transaction will significantly increase Tryg's diversification across a range of fronts, particularly in terms of geographical revenue and profit contribution, class of business diversification and broader distribution capabilities. It is expected that RSA's Swedish and Norwegian Businesses will each contribute c.45-50% and c.10% of pro-forma technical result of DKK 6.3 billion for the combined Tryg Group, in contrast to the current reliance on Denmark which currently drives c.70% of Tryg's standalone

technical result. In terms of profit drivers, RSA's Swedish and Norwegian Businesses' leading personal accident business represents an extremely profitable book with low correlations to Tryg's existing portfolio, driving material diversification of underwriting profit, as well as potential capital synergies across the combined group over time. RSA's Swedish and Norwegian Businesses will also add complementary distribution via their range of affinity partners across both Sweden and Norway, as well as their compelling direct distribution capability.

Tryg's extensive knowledge of the Swedish and Norwegian markets should allow for a seamless combination of the acquired operations and reduce execution risk. Allied with Tryg's track record and experience of in-market combinations from previous transactions, in particular the recent successful Alka acquisition, this is expected to support significant value creation for Tryg Shareholders. Tryg expects to generate annualised pre-tax synergies of DKK 900 million (GBP equivalent of approximately £109 million) in 2024 (phased 2021 c. DKK 60 million, 2022 c. DKK 350 million, 2023 c. DKK 650 million).

Cost synergies primarily stem from lower administration and distribution costs and scale advantages in procurement, and are expected to make up approximately 80% of the estimated annual run-rate synergies. Revenue synergies are expected to be realised through leveraging best practices across the enlarged group. Of the total pre-tax run-rate synergies, administration and distribution is the largest bucket at DKK 370 million, followed by procurement (DKK 220 million), claims (DKK 140 million), and commercial (DKK 170 million).

Geographically, the majority of synergies are expected to be realised in Sweden, accounting for DKK 500 million and driven primarily by procurement excellence, IT savings and position reductions across the combined group. Norway is expected to contribute DKK 250 million, and Denmark and Tryg Group DKK 150 million. Tryg would expect that to a certain extent position reductions will be realised through voluntary redundancies, natural attrition and elimination of vacant roles across the combined group.

Restructuring and integration costs, which include costs for the separation of Sweden and Norway out of RSA's Danish legal entities are expected to be around DKK 1,500 million pre-tax, and will be largely incurred in the quarter of the closing of the Transaction. Total transaction costs are expected to amount to approximately DKK 4,400 million, which includes restructuring, integration, separation and other transaction costs. Post-Acquisition, Tryg expects its pro forma Solvency II Ratio on its partial internal model to be above 170% by year end 2021, based on an expected Group solvency capital requirement of DKK 8.5-9.0 billion.

As a result of the Transaction, Tryg's total invested assets will increase by approximately 60% to approximately DKK 67 billion, and free portfolio will increase from approximately DKK 11.1 billion to DKK 16.9 billion (Norway DKK 4.1 billion, Denmark DKK 6.9 billion, Sweden DKK 5.9 billion). Following the Transaction, Tryg's approach to investments and risk appetite will remain unchanged and acquired portfolios will gradually be adjusted to match Tryg's approach.

The Transaction is expected to be attractive for all of Tryg's stakeholder groups – including TryghedsGruppen (which currently holds 60% of the ordinary shares in Tryg

and makes annual contributions to projects that create peace of mind via TrygFonden) and other Tryg Shareholders, customers and employees. A combination of the synergy potential across the combined group alluded to above and the attractive underlying franchise is expected to drive an ROI of approximately 7%. The proposed financing structure and Tryg's valuation premium are expected to drive high teens EPS accretion by 2023 and a material increase in dividend capacity, whereby the dividend policy of Tryg will remain unchanged following the Transaction and the absolute size of the dividends is targeted to broadly double in the medium term.<sup>2</sup> This is a key driver of value creation for Tryg Shareholders given the relatively low organic growth profile of the Nordic P&C sector and the importance of the dividend to Tryg's investors.

#### *RSA's Danish Business*

RSA's Danish Business is one of the leading insurers in Denmark's non-life sector, and has demonstrated significant recent forward momentum. Intact sees an opportunity to sustain personal lines operating performance and to continue to improve commercial lines. Intact believes RSA's Danish Business has all the elements required to ensure that it could be successfully run as a standalone entity and Intact intends to retain the operational functions currently serving Denmark as well as its facilities.

Intact will have responsibility for the operation and management of RSA's Danish Business (subject to protections consistent with Tryg's non-controlling interest in RSA's Danish Business). Tryg and RSA's Danish Business will remain completely separate independent companies and competitors at all times.

Intact intends to support RSA's Danish Business in continuing its positive trajectory, whilst it assesses strategic alternatives for the business (which may include exploring a sale if there is compelling interest from potential buyers or an IPO). Tryg would be supportive of a sale process being undertaken by Intact if there is compelling interest from potential buyers, or an IPO.

## **5. Recommendation**

The RSA Directors, who have been so advised by Goldman Sachs International, Robey Warshaw LLP and BofA Securities as to the financial terms of the Acquisition, consider the terms of the Acquisition to be fair and reasonable. In providing their advice to the RSA Directors, Goldman Sachs International, Robey Warshaw LLP and BofA Securities have taken into account the commercial assessments of the RSA Directors.

Accordingly, the RSA Directors intend to recommend unanimously that RSA Shareholders vote in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the RSA General Meeting, as the RSA Directors who hold RSA Shares or RSA ADRs have irrevocably undertaken to do in respect of their own beneficial holdings totalling 1,337,607 RSA Shares and RSA ADRs (representing

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<sup>2</sup> EPS accretion is calculated before any impact from intangible amortisation and such impact would not affect Tryg's dividend-paying ability nor its capacity. 2021 will be a transitional year.

approximately 0.13% of the existing issued ordinary share capital of RSA as at 16 November 2020 (being the last practicable date prior to the date of this announcement)).

## 6. **Background to and reasons for the recommendation**

RSA is one of the world's longest standing general insurers, with over 300 years' experience in the industry. RSA today has strong positions in the large general insurance markets of the UK, Scandinavia and Canada, and a compelling standalone strategy which the RSA board believes would deliver attractive value for RSA Shareholders over time. At the same time, the RSA board believes that the Intact and Tryg offer accelerates the delivery of that value, providing an immediate premium, and recognising the value of the component parts of the business, together with the synergies across the combined group that may be realised through the Transaction, and provides RSA Shareholders with certainty of value in cash.

In 2014, RSA set out a radical action plan to tighten strategic focus, strengthen its capital position and substantially improve business performance. That plan was supported by a rights issue in 2014 and a disposal programme undertaken between 2014 and 2016 which refocused RSA on its strongest core businesses, including the UK, Scandinavia and Canada.

Since that time, RSA has benefited from a consistent strategy, centred on the pursuit of outperformance through strong customer franchises, disciplined business focus, a balance sheet that protects customers and the company, and accomplished operational delivery. This strategy has enabled important improvements to customer service, underwriting and cost effectiveness in recent years, driven by significant development in RSA's capabilities and performance culture, as well as in technology and data science tools. As a result, RSA has recorded its three best underwriting results this century over the last four years.

In 2020, COVID-19 has presented challenges for society, for the insurance industry and for RSA. Throughout this period, RSA's priorities have been to sustain customer service, to operate safely and securely, to ensure RSA's resilience and to remain focused on delivering RSA's plans and performance. Focus on these priorities helped RSA to deliver a record underwriting performance<sup>3</sup> at its half year results, combined operating ratios better than its stated "best-in-class" ambitions in each of the three divisions and continued improvements in recent focus areas such as UK domestic and Danish commercial lines. In September 2020, RSA took the important step of announcing a resumption of ordinary dividend payments, which had previously been suspended in April 2020, with the Interim Dividend to be paid in December 2020. RSA's progress continued into the third quarter, delivering another strong set of results. At the same time, RSA's capital position has remained strong, with an estimated Solvency II coverage ratio at 30 September 2020 of 168% (159% including accruals for current year dividends and the 2019 final dividend) versus the 130-160% target range.

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<sup>3</sup> 'Record' refers to H1 2020 delivering the lowest combined ratio as reported when considering the half year underwriting performance from 2008 to 2020.

Although the recovery path from the pandemic remains uncertain, for the insurance industry and for equity markets more generally, RSA has demonstrated its resilience and the RSA board has full confidence that RSA will emerge strongly from the crisis, and be well placed to drive continued business improvement in line with RSA's "best-in-class" ambitions.

The RSA board notes that the terms of the Acquisition (including the Interim Dividend) represent a significant premium of approximately 51% to the Closing Price of 460 pence per RSA Share on 4 November 2020 (being the last Business Day prior to 5 November 2020, the date of the announcement of a possible offer by Intact and Tryg for RSA) and a premium of approximately 53% to the three-month volume weighted average price of 453 pence per RSA Share to 4 November 2020.

The RSA board has considered the interests of wider stakeholders in reaching its decision. In common with RSA, Intact and Tryg have long histories in their home markets, strong corporate values and a central focus on serving customers. The RSA board notes the importance that Intact and Tryg place on the contribution, skills and experience of RSA's employees and their intent to fully safeguard the existing contractual and statutory employment rights of the employees of RSA, including regarding pensions, in accordance with applicable law (having due regard to the outcome of appropriate consultation with relevant employee representatives) upon completion of the Transaction and, subject to the potential position reductions described in paragraph 11 below, the statements by Intact and Tryg that they do not envisage making any material changes to the terms and conditions of employees of RSA which would detrimentally impact the aggregate value of the relevant employees' compensation and benefits arrangements.

## **7. Irrevocable undertakings**

### *RSA Shareholders*

In addition to the irrevocable undertakings from RSA Directors described in paragraph 5 above, Bidco and Tryg have received an irrevocable undertaking from Cevian Capital II Master Fund L.P. to vote, or procure votes, in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the RSA General Meeting (or, in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer), in respect of 154,160,715 RSA Shares in aggregate, representing approximately 14.9% of the existing issued share capital of RSA on 16 November 2020 (being the last practicable date prior to the date of this announcement).

In total therefore, Bidco and Tryg have procured irrevocable undertakings to vote, or procure votes, in favour of the Scheme at the Court Meeting and the resolutions relating to the Acquisition at the RSA General Meeting (or in the event that the Acquisition is implemented by a Takeover Offer, to accept or procure acceptance of such Takeover Offer) in respect of, in aggregate, 155,498,322 RSA Shares and RSA ADRs (representing approximately 15.0% of the existing issued ordinary share capital of RSA) as at 16 November 2020 (being the last practicable date prior to the date of this announcement).

Further information relating to the irrevocable undertakings given by the RSA Shareholders, including the circumstances in which they will lapse, are set out in Appendix 3 to this announcement.

### *TryghedsGruppen*

RSA, Intact, Bidco and Tryg have received an irrevocable voting undertaking from TryghedsGruppen to: vote, or procure votes, in favour of the shareholder resolutions required in connection with the Tryg Rights Issue in respect of a minimum of 160,138,436 Tryg shares (representing approximately 53% of the existing issued ordinary share capital of Tryg as at 16 November 2020 (being the last practicable date prior to the date of this announcement)). TryghedsGruppen is currently the legal or beneficial owner of 181,288,181 Tryg shares, representing approximately 60% of the existing issued ordinary share capital of Tryg as at 16 November 2020 (being the last practicable date prior to the date of this announcement); to the extent that it continues to hold shares in excess of the minimum of 160,138,436 at the relevant time, TryghedsGruppen has agreed to vote those shares in favour of the required resolutions.

TryghedsGruppen has also provided an irrevocable subscription undertaking to Tryg, Morgan Stanley and Danske Bank to: (i) subscribe for new shares in the Tryg Rights Issue for a cash amount totalling DKK 6.0 billion (the "Committed Amount"); (ii) use all reasonable endeavours to obtain additional funds which, if raised, would be used to subscribe for new shares in the Tryg Rights Issue and would bring the total subscription by TryghedsGruppen to no less than DKK 9 billion; (iii) subscribe for further new shares in the Tryg Rights Issue by way of exercise of pre-emptive rights on a cash neutral basis using the net proceeds from the sale of existing Tryg shares, which could occur at any time, subject to market conditions (such subscriptions to be in excess of the cash amount referenced in (i) and (ii) above); and (iv) subscribe for further new shares in the Tryg Rights Issue by way of exercise of pre-emptive rights on a cash neutral basis using the net proceeds from the sale of excess pre-emptive rights. As part of the subscription undertaking, TryghedsGruppen has agreed that it will maintain a minimum shareholding of 160,138,436 Tryg shares until conclusion of the Tryg Rights Issue, representing approximately 53% of the existing issued ordinary share capital of Tryg as at 16 November 2020 (being the last practicable date prior to the date of this announcement).

The irrevocable undertakings given by TryghedsGruppen will only cease to be binding in limited circumstances, including if the Scheme lapses or is withdrawn in accordance with its terms or the Tryg Rights Issue does not proceed.

## **8. Information relating to Bidco and Intact**

### *Bidco*

Bidco is a newly incorporated, wholly-owned indirect subsidiary of Canada Holdco, and in turn, Intact, which has been established for the sole purpose of the Transaction. Bidco is a private limited company incorporated in England and Wales.

Bidco has not traded since incorporation, nor has it entered into any obligations, other than in connection with the Transaction.

## *Intact*

Intact Financial Corporation (TSX: IFC) is the largest provider of property and casualty (P&C) insurance in Canada and a leading provider of specialty insurance in North America, with approximately CAN\$12 billion in total annual premiums. Intact has over 16,000 employees who serve more than five million personal, business and public sector clients through offices in Canada and the United States. In Canada, Intact distributes insurance under the Intact Insurance brand through a wide network of brokers, including its wholly-owned subsidiary BrokerLink, and directly to consumers through its belairdirect brand. Its acquisition of Frank Cowan Company Limited in 2019 has enhanced Intact's MGA platform to manufacture and distribute public entity insurance products, adding to Intact's offering in Canada. In the United States, Intact Insurance Specialty Solutions provides a range of specialty insurance products and services through independent agencies, regional and national brokers, and wholesalers and managing general agencies. Products are underwritten by the insurance company subsidiaries of Intact Insurance Group USA, LLC.

### **9. Information relating to Tryg and TryghedsGruppen**

Tryg is one of the leading non-life insurance companies in the Nordic region with activities in Denmark, Norway and Sweden. Tryg received total premiums of DKK 21.7 billion (approx. EUR 3 billion) in 2019 and is active in the private, commercial and corporate segments across the Nordic region. Tryg provides coverage to 4 million customers on a daily basis. Tryg is listed on Nasdaq Copenhagen.

TryghedsGruppen is currently the legal or beneficial owner of 181,288,181 Tryg shares, representing approximately 60% of the existing issued ordinary share capital in Tryg and makes annual contributions to projects that increase security in Denmark within the core areas of safety, health and welfare. In 2020, TryghedsGruppen will contribute up to DKK 650 million via TrygFonden towards this cause.

Following the Transaction, TryghedsGruppen is expected to be reclassified from a Mixed Holding Company to an Insurance Holding Company and will therefore be subject to Solvency II Ratio requirements. Given the revised regulatory treatment of TryghedsGruppen and the expected participation in the Tryg Rights Issue (including through the proceeds of sale of existing Tryg shares and/or pre-emptive rights), TryghedsGruppen's ownership of Tryg is expected to reduce to between 40% and 50% (and with the current share price, an ownership interest of approximately 45% is expected), although the exact timing of such reduction has not been decided and would be subject to market conditions.

Following completion of the Transaction, TryghedsGruppen intends to increase its ownership to above 50% in the medium term, providing among other conditions that a robust solvency ratio can be maintained.

## 10. **Information relating to RSA**

RSA is a focused international insurance group, with strong positions in the large general insurance markets of the UK, Scandinavia and Canada, together with supporting international business in Ireland, Continental Europe and the Middle East.

RSA is well balanced between personal and business customers, and across product lines and distribution channels. RSA's net written premiums in 2019 were £6.4 billion. RSA is listed on the London Stock Exchange.

In the UK, RSA operates across both personal and commercial lines. Personal insurance (49% of business in 2019) is offered to customers through MORE THAN and affinity partners, which include major retailers and large banks. RSA has a strong presence in the UK motor, home and pet markets. In 2019, 51% of RSA's UK business was in commercial lines.

In Scandinavia, RSA operates as Trygg-Hansa in Sweden and Codan in Denmark and Norway. In 2019, approximately 60% of RSA's Scandinavian Business was personal lines and 40% was commercial lines. RSA distributes mainly direct to customers in Scandinavia, but also leverages strong agency relationships.

In Canada, RSA operates across all provinces, offering a range of personal and commercial lines products. In personal lines, which in 2019 accounted for around 72% of Canadian business, RSA operates under the leading brand Johnson, as well as the RSA brand via brokers. RSA's Canadian commercial lines business operates through brokers.

## 11. **Directors, management, employees, pensions, research and development and locations**

*Employees, management and directors*

### **Intact – Canada, UK&I and Denmark**

Intact believes that the Transaction will be a significant step to accelerate its strategy and leadership. Intact will seek to apply its operating model, which includes core competencies of digital, data and AI platforms, pricing and risk selection, claims management and investment and capital management practices to RSA's platform to deliver strong growth in profitability. Intact sees an opportunity to create highly attractive, skilled employment roles.

Both Intact's workforce and management team include a significant number of people who have joined the company as part of prior acquisitions, highlighting the company's approach to leveraging acquisitions as an opportunity to build the best insurance team.

Intact attaches great importance to the skills and experience of the existing employees of RSA and expects RSA employees in Canada, the UK, Europe and the Middle East to contribute to the success of the enlarged Intact Group following Completion.

In Canada, Intact will integrate RSA's operations with its own. Intact intends to renew policies issued by RSA's Canadian business on Intact's platforms. Intact will also seek

to implement its claims handling process – including the internalisation of claims management - and supply chain management practices as soon as is practicable.

In order to support its customer driven data and digital strategy and the growth resulting from the acquisition and integration of the RSA Group's operations, Intact will invest CAN\$1.5 billion in Quebec's technology sector over the next five years.

Intact's preliminary evaluation suggests that there will be some duplication between the two businesses in Canada. Intact's strategy of insourcing claims management, as well as the growth driven demand for employees every year, will be leveraged to manage the dislocation. Intact hires more than 1,000 people every year, while the internalisation of RSA's claims management alone is expected to create more than 300 full-time, permanent positions. Intact intends to take a 'best of both' approach to integration in Canada. Intact does not have presence in the UK or in other international locations of RSA (excluding Canada) which it plans to acquire as part of the Transaction. Following Completion, Intact intends to work closely with RSA's management team in the UK and other international locations and will consider plans that the team may have with a view to further developing RSA's business.

Based on preliminary analysis, Intact expects a potential aggregate position reduction of approximately 2% of the combined Intact Group workforce within 12 months following Completion. Approximately 30% of this reduction is expected to come from duplications in global head office, shared services and positions related to public listing status in the UK, some of which may be currently located outside of the global head office, with the remainder expected to come from duplications in shared services and operations functions in Canada. The actual headcount reduction may be a fraction of that, given Intact's growth driven demand for employees and internalisation of claims management, as well as normal employee turnover.

The UK will play an important role as a hub for the newly combined organisation. RSA has a strong and experienced management team which, along with the expertise of RSA's employees, gives Intact confidence that it can create second to none customer experiences and drive future success in the UK and Ireland. Certain RSA global head office functions in the UK, including those related to RSA's status as a publicly listed company, will be discontinued upon RSA ceasing to operate as a publicly listed company. Intact expects to maintain existing cost savings plans in the UK following the de-listing.

Intact will provide clarity to all impacted employees, including role, manager and location changes, within 120 days after Completion. The finalisation and implementation of any workforce reductions will be subject to comprehensive planning and appropriate engagement with stakeholders before any proposals are finalised, including affected employees and any appropriate employee representative bodies. Any affected individuals will be treated with utmost respect and dignity, in line with Intact's high standards and strong corporate values. Intact will review opportunities to reassign or relocate affected employees, to the extent possible.

### **Tryg – Sweden and Norway**

Tryg believes it is acquiring a well-managed business with an established track record and recognises the role of existing RSA management and employees in securing this

strong position for RSA's Swedish and Norwegian Businesses. The values and culture of RSA's Swedish and Norwegian Businesses, aligned with its reputation with customers and commitment to quality, are well recognised by Tryg, and will be highly complementary to Tryg's existing operating model, business and brand.

Tryg values the contribution of the employees of RSA's Swedish and Norwegian Businesses to the ongoing and future success of those businesses. Tryg and RSA's Swedish and Norwegian Businesses are highly complementary. Tryg expects that employees of RSA's Swedish and Norwegian Businesses will benefit from greater focus and opportunities as part of their involvement within one of the leading Nordic non-life insurers dedicated to its domestic markets.

Tryg's preliminary evaluation work to identify potential synergies across the combined group as a result of the Transaction indicates that there will be a degree of duplication and overlap between the two businesses in each of Sweden and Norway. Based on the preliminary analysis, there could be a potential position reduction across the consolidated businesses in each of Norway and Sweden in the region of between approximately 10% and 15% (which would equate to between approximately 5% and 7% of the combined Tryg Group workforce) to be realised within the three year integration period after completion of the Demerger. Whilst further assessment will need to be undertaken and all proposals remain subject to applicable information and consultation requirements, any position reduction would likely be realised across a number of functions, where overlaps and duplication occur, potentially including shared services, claims and distribution. No such position reductions would proceed prior to appropriate conclusion of all applicable information and consultation procedures with employees and their representatives. Tryg would expect that the impact of any proposed position reduction could be partially mitigated through voluntary redundancies, natural attrition and elimination of vacant roles, and further alternate job opportunities in the medium term. Any affected employees will be treated in a manner consistent with Tryg's high standards, culture and practices, including consultation with employee representatives.

The implementation of any position reductions will be subject to comprehensive planning and appropriate engagement and consultation with stakeholders before any proposals are finalised, including affected employees and any appropriate employee representative bodies.

### **Intact and Tryg - Denmark**

RSA's Danish Business is one of the leading insurers in Denmark's non-life sector, and has demonstrated significant recent forward momentum. Intact sees an opportunity to sustain personal lines operating performance and to continue to improve commercial lines. Intact believes RSA's Danish Business has all the elements required to ensure that it could be successfully run as a standalone entity and Intact intends to retain the operational functions currently serving Denmark as well as its facilities. While further assessment will need to be undertaken, some position reduction would likely be realised from a portion of currently shared Scandinavian services. Based on a preliminary analysis, a potential position reduction in Denmark of up to 10% could be realised within the three year period after completion of the Demerger. The actual position reduction may be much smaller than that given natural attrition and the objective of having RSA's Danish Business operate as a standalone entity.

Intact will have responsibility for the operation and management of RSA's Danish Business (subject to protections consistent with Tryg's non-controlling interest in RSA's Danish Business). Tryg and RSA's Danish Business will remain completely separate independent companies and competitors at all times.

Intact intends to support RSA's Danish Business in continuing its positive trajectory, whilst it assesses strategic alternatives for the business (which may include exploring a sale if there is compelling interest from potential buyers or an IPO). Tryg would be supportive of a sale process being undertaken by Intact if there is compelling interest from potential buyers, or an IPO.

### **Intact and Tryg**

Except for the potential position reductions detailed above, Intact and Tryg do not envisage that there will be any material change to the balance of skills and functions of the employees and management of RSA, Intact or Tryg in their respective combined operations post Completion.

Intact and Tryg intend to fully safeguard the existing contractual and statutory employment rights of the employees of RSA, including regarding pensions, in accordance with applicable law (having due regard to the outcome of appropriate consultation with relevant employee representatives) upon completion of the Transaction, and, subject to the potential position reductions described above, do not envisage making any material changes to the terms and conditions of employees of RSA which would detrimentally impact the aggregate value of the relevant employees' compensation and benefits arrangements.

The non-executive directors of RSA are expected to resign as RSA Directors upon Completion.

### *Management incentivisation*

#### **Intact**

Following Completion, Intact intends to review the management, governance and incentive structure of RSA. Intact has not entered into, and has not yet had any discussions with RSA's management regarding incentivisation arrangements that may apply following Completion. However, it is Intact's intention that appropriate arrangements will be put in place following Completion in consultation with RSA management.

Intact intends to evaluate the management and incentive structure of RSA's Danish Business following Completion, and will seek to agree on incentive packages with key employees and members of the management team.

#### **Tryg**

Tryg intends to review the management, governance and incentive structure of RSA's Swedish and Norwegian Businesses. No discussions have taken place in respect of the incentive arrangements that may apply following completion of the Transaction with any member of the management of RSA's Swedish and Norwegian Businesses.

However, it is Tryg's intention that appropriate arrangements will be put in place following Completion in consultation with RSA management.

#### *Locations of business, headquarters and fixed assets*

##### **Intact**

Intact will retain its headquarters in Toronto, Ontario Canada, and Montreal, Quebec Canada. As Intact does not have operations in the UK or other international locations where RSA operates (excluding Canada), it intends to retain RSA's principal places of operations in those locations, including the location of RSA's global headquarters in the UK, albeit as stated above, certain global head office functions in the UK will be discontinued upon RSA ceasing to operate as a publicly listed company. After Completion, Intact will review its expanded footprint in Canada, with a view to consolidating offices where appropriate in order to enable colleagues to work more closely together, enhance the corporate culture and reduce expenses.

Further work is required to evaluate whether duplications in functions and office locations across the enlarged Intact Group necessitate rationalisation in the future. No changes are otherwise expected with respect to the deployment of RSA's fixed asset base and RSA has no research and development function.

##### **Tryg**

Tryg is undertaking a preliminary review of office locations in Norway and Sweden. Where it is identified that there is duplication as between Tryg's current locations and RSA's locations, offices may, subject to further assessments, become consolidated into one location where logistically possible.

Tryg has no plans to redeploy or dispose of the fixed assets of RSA's Swedish and Norwegian Businesses. RSA's Swedish and Norwegian Businesses have no dedicated research and development functions and Tryg has no plans in this regard.

#### *Pensions*

RSA's businesses support three UK defined benefit pension schemes; the Sal Pension Scheme (the "**SALPS**"), the Royal Insurance Group Pension Scheme (the "**RIGPS**") and the Royal & Sun Alliance UK Pension Scheme 2002 (the "**RSAPS 2002**") (together, the "**UK Pension Schemes**"). Intact and the trustees of each of the UK Pension Schemes (the "**UK Pension Trustees**") have reached an agreement in relation to the UK Pension Schemes, the key terms of which will take effect conditional on Completion. The key terms include:

- a parent company guarantee from Intact for each of the UK Pension Schemes in respect of all present and future obligations of RSA to make payments to the UK Pension Schemes. Such guarantee will terminate in very limited circumstances (broadly only if Intact takes over direct sponsorship of the UK Pension Schemes where buy-out funding might otherwise become payable, or on a change of control of RSA where a replacement guarantee or other compensation is agreed with the UK Pension Trustees);

- continuation of current funding arrangements of approximately £75 million per annum plus expenses across the UK Pension Schemes and regulatory levies, with the £75 million per annum deficit contributions payable to the RIGPS and the SALPS to remain payable until full funding on a previously agreed longer term funding target basis is reached;
- an additional lump sum payment of just over £75 million across the UK Pension Schemes to be paid at or very shortly after Completion, serving to improve each UK Pension Scheme's funding position at that time;
- provisions which may result in mitigation being provided to the UK Pension Schemes if a return of capital or distribution (other than an ordinary course dividend) is paid by Intact where shareholder equity net of goodwill is below CAN\$6 billion; and
- certain Intact commitments with regard to ongoing information sharing and constructive engagement with the UK Pension Trustees.

Intact understands that the UK Pension Schemes are closed to the future accrual of benefits. Intact has no intention of re-opening the UK Pension Schemes to benefit accrual or new entrants.

The UK Pension Trustees have considered the Acquisition with their professional advisers. The UK Pension Trustees have confirmed to Intact and RSA in writing that, based on the information provided to them regarding the Acquisition and having regard to their fiduciary obligations to the beneficiaries of the UK Pension Schemes, they have concluded that the legal documents agreed on pensions reflecting, *inter alia*, the above key terms are an adequate response to the Acquisition.

Other than the UK Pension Schemes, RSA does not operate any other defined benefit pension schemes in the UK. Other than the arrangements set out above in relation to the UK Pension Schemes, Intact intends to review opportunities for pension benefits in Canada to be provided through its own pension scheme but other than changes arising from this, Intact does not intend to make any changes with regard to employer contributions into RSA's existing pension schemes or the accrual of benefits to existing members or the admission of new members to such pension schemes, including any pension schemes in Denmark.

Tryg does not intend to amend the existing pensions arrangements for RSA employees in either Norway or Sweden.

#### *Other*

No statements in this paragraph 11 constitute "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

## 12. **Financing of the Acquisition**

### *Intact financing*

The Cash Consideration payable by Bidco to RSA Shareholders under the terms of the Acquisition will be funded by a combination of:

- bridge facilities with aggregate total commitments of £1,465 million (together, the "**Intact Bridge Facilities**") and a £350 million term loan facility (the "**Intact Term Loan Facility**") jointly arranged by Barclays Bank PLC and CIBC (the "**Joint Lead Arrangers**") pursuant to a bridge and term loan credit agreement dated 18 November 2020 (the "**Intact Credit Agreement**"). It is expected that one or more of the Intact Bridge Facilities will be replaced in whole or in part in due course by other sources of financing, as further described below;
- a private placement pursuant to subscription agreements (the "**Cornerstone Subscription Agreements**") dated 11 November 2020 between Intact and subsidiaries of each of Caisse de depot et placement du Quebec, Canada Pension Plan Investment Board and Ontario Teachers' Pension Plan Board (together, the "**Cornerstone Investors**"), under which the Cornerstone Investors have agreed to purchase subscription receipts of Intact for aggregate proceeds of CAN\$3.2 billion (the "**Cornerstone Private Placement**"), with each subscription receipt entitling the holder thereof to receive one common share of Intact on Completion (subject to, in the case of Caisse de depot et placement du Quebec only, receipt of necessary regulatory approvals in relation to a portion of its subscription, which is covered under the Intact Bridge Facilities until regulatory approvals are obtained). The closing of the Cornerstone Private Placement is anticipated to occur 7 calendar days after the date of this announcement; and
- a share purchase agreement between Canada Holdco and Tryg (the "**Tryg SPA**") pursuant to which Tryg will purchase shares in Scandi JVco from Canada Holdco for an aggregate consideration of approximately £4.2 billion (subject to adjustments to reflect further RSA Shares issued on or before the Scheme Record Time), as part of the intragroup reorganisation (as described in paragraph 3 above).

The Intact Credit Agreement was entered into in order to satisfy the "certain funds" requirement under the Takeover Code. Intact intends to replace the Intact Bridge Facilities, in whole or in part, with other sources of financing.

On 12 November 2020, Intact entered into an agreement with a group of underwriters led by CIBC Capital Markets and Barclays Capital Canada Inc. (the "**Lead Underwriters**"), for the issuance of subscription receipts of Intact for aggregate gross proceeds of CAN\$1.25 billion pursuant to a bought deal private placement (the "**Bought Deal Private Placement**"). The closing of the Bought Deal Private Placement is anticipated to occur on or about 3 December 2020, and the net proceeds of the Bought Deal Private Placement will be used to replace part of the Intact Bridge Facilities.

Intact also intends to (subject to market conditions) replace all or part of the remaining portion of the Intact Bridge Facilities during the offer period with alternative sources of financing, including any or a combination of the issuance of debt securities and/or preferred shares of Intact.

To the extent any of the above alternative financings are raised prior to Completion, the proceeds will be used to reduce the commitment under the Intact Bridge Facilities.

Under the terms of the Intact Credit Agreement, the Cornerstone Subscription Agreements and the Bought Deal Private Placement, Intact has agreed not to waive any Conditions to the Acquisition without the consent of, respectively, the Joint Lead Arrangers, the Cornerstone Investors holding at least 50% of the subscription receipts issued under the Cornerstone Private Placement and the Lead Underwriters, if such waiver would be materially adverse to, respectively, the interests of the lenders under the Intact Credit Agreement (taken as a whole), the interests of the Cornerstone Investors or the interests of the investors in the Bought Deal Private Placement, unless, in each case, such waiver (i) is required pursuant to the Takeover Code or by a court of competent jurisdiction or the Panel; or (ii) in the event Intact elects to implement the Acquisition by way of a Takeover Offer, relates to reducing the acceptance condition to not less than 75% of the RSA Shares.

The Cornerstone Investors have each agreed under the Cornerstone Subscription Agreements not to acquire RSA Shares or any convertible securities of RSA until the earlier of (i) Completion; (ii) the Acquisition lapsing or being withdrawn; and (iii) the termination of the Cornerstone Subscription Agreements, unless such acquisition is made by a third party investment manager with a discretionary mandate.

#### *Tryg financing*

Tryg intends to launch a rights issue for shares in the capital of Tryg in the aggregate amount of approximately DKK 37 billion in the first half of 2021 to raise funds for the Tryg SPA (the "**Tryg Rights Issue**"). The Tryg Rights Issue will be underwritten by Danske Bank and Morgan Stanley. Tryg has entered into a standby equity underwriting arrangement in an aggregate amount of approximately DKK 37 billion with Danske Bank and Morgan Stanley prior to the date of this announcement. The funding from the Tryg Rights Issue will be used to pay the consideration under the Tryg SPA. In addition to the Tryg Rights Issue, Tryg also plans to raise approximately DKK 2 billion of subordinated loans prior to Completion.

As described in paragraph 7, RSA, Intact, Bidco and Tryg have received an irrevocable voting undertaking from TryghedsGruppen to: vote, or procure votes, in favour of the shareholder resolutions required in connection with the Tryg Rights Issue in respect of a minimum of 160,138,436 Tryg shares (representing approximately 53% of the existing issued ordinary share capital of Tryg as at 16 November 2020 (being the last practicable date prior to the date of this announcement)). TryghedsGruppen is currently the legal or beneficial owner of 181,288,181 Tryg shares, representing approximately 60% of the existing issued ordinary share capital of Tryg as at 16 November 2020 (being the last practicable date prior to the date of this announcement); to the extent that it continues to hold shares in excess of the minimum of 160,138,436 at the relevant time, TryghedsGruppen has agreed to vote those shares in favour of the required resolutions.

TryghedsGruppen has also provided an irrevocable subscription undertaking to Tryg, Morgan Stanley and Danske Bank to: (i) subscribe for new shares in the Tryg Rights Issue for a cash amount totalling DKK 6.0 billion (the "**Committed Amount**"); (ii) use all reasonable endeavours to obtain additional funds which, if raised, would be used to subscribe for new shares in the Tryg Rights Issue and would bring the total subscription by TryghedsGruppen to no less than DKK 9 billion; (iii) subscribe for further new shares in the Tryg Rights Issue by way of exercise of pre-emptive rights on a cash

neutral basis using the net proceeds from the sale of existing Tryg shares, which could occur at any time, subject to market conditions (such subscriptions to be in excess of the cash amount referenced in (i) and (ii) above); and (iv) subscribe for further new shares in the Tryg Rights Issue by way of exercise of pre-emptive rights on a cash neutral basis using the net proceeds from the sale of excess pre-emptive rights. As part of the subscription undertaking, TryghedsGruppen has agreed that it will maintain a minimum shareholding of 160,138,436 Tryg shares until conclusion of the Tryg Rights Issue, representing approximately 53% of the existing issued ordinary share capital of Tryg as at 16 November 2020 (being the last practicable date prior to the date of this announcement).

The irrevocable undertakings given by TryghedsGruppen will only cease to be binding in limited circumstances, including if the Scheme lapses or is withdrawn in accordance with its terms or the Tryg Rights Issue does not proceed.

Barclays, as lead financial adviser to Bidco and Intact, is satisfied that sufficient resources are available to Bidco to enable it to satisfy in full the Cash Consideration payable to RSA Shareholders under the terms of the Acquisition.

**13. RSA Share Plans**

Bidco will make appropriate proposals to participants in the RSA Share Plans in due course. Participants in the RSA Share Plans will be contacted separately regarding the effect of the Acquisition on their rights under the RSA Share Plans and with the details of Bidco's appropriate proposals. Further details of the terms of such proposals will be included in the Scheme Document. Participants in the RSA Share Incentive Plan will be treated in the same way as other RSA Shareholders.

The Acquisition will extend to any RSA Shares unconditionally allotted or issued prior to the Scheme Record Time including shares issued pursuant to the exercise of options or vesting of awards granted under the RSA Share Plans.

**14. RSA Preference Shares**

RSA has in issue 125,000,000 RSA Preference Shares which are listed on the Official List of the London Stock Exchange. With the consent of the Panel, no separate offer will be made for the RSA Preference Shares.

**15. RSA RT1 Notes**

RSA has two outstanding tranches of RSA RT1 Notes in issue with a principal value of SEK 2,500 million and DKK 650 million respectively. With the consent of the Panel, no separate offer will be made for the RSA RT1 Notes.

**16. Offer-related arrangements**

*RSA Confidentiality Agreement*

On 9 October 2020, Intact, Tryg and RSA entered into a confidentiality agreement (the "**RSA Confidentiality Agreement**") in relation to the Transaction, pursuant to which, amongst other things, Intact and Tryg have undertaken to keep information relating to RSA and to the Transaction confidential and not to disclose it to third parties (with

certain exceptions), and RSA has agreed to do the same with respect to information relating to Intact and Tryg. These confidentiality obligations will remain in force until the earlier of the date falling 12 months after the date of the RSA Confidentiality Agreement and completion of the Acquisition and the Scandinavia Carve-Out. The RSA Confidentiality Agreement contains standstill provisions which restrict Intact and Tryg (with certain exceptions) from acquiring or seeking to acquire interests in relevant securities of RSA, with those restrictions ceasing to apply on the making of this announcement.

#### *Clean Team Agreement*

On 30 October 2020, Intact, Tryg and RSA entered into a clean team agreement (the "**RSA Clean Team Agreement**") in relation to the Transaction, supplementing the RSA Confidentiality Agreement to ensure that the exchange of information between Intact, Tryg and RSA that is indispensable for the purpose of evaluating and negotiating the Transaction complies with applicable competition laws. The RSA Clean Team Agreement will remain in force until the earlier of: (i) termination of discussions in connection with the Transaction, if the Transaction does not proceed to Completion for any reason; or (ii) completion of the Transaction.

#### *Co-operation Agreement*

On the date of this announcement, Intact, Bidco, Tryg and RSA entered into a co-operation agreement (the "**Co-operation Agreement**"), pursuant to which, among other things, Intact, Bidco, Tryg and RSA have agreed: (i) to co-operate and provide each other with reasonable information, assistance and access in relation to the filings, submissions and notifications to be made for the process of obtaining all consents, clearances, permissions, waivers and/or approvals as may be necessary under the law, regulations or practices applied by any applicable regulatory authority in connection with the Transaction and/or the Acquisition Completion Holding Structure (as relevant); (ii) certain provisions that will apply in respect of the RSA Share Plans and certain other arrangements regarding employment matters and employee incentives, including Bidco, Tryg and Intact committing (except where prohibited by mandatory regulatory requirements) to maintain for a period of 12 months from Completion: (a) the same base salary and incentive opportunities which, taken as a whole, were provided to each RSA employee prior to Completion; (b) benefits and allowance packages which, taken as a whole, are at least substantially comparable to those in place for each RSA employee prior to Completion and (c) applicable redundancy and severance payments, benefits and arrangements that are no less favourable than those set out in RSA's existing redundancy practices; and (iii) that the Scheme can only switch to a Takeover Offer with RSA's consent. In addition, RSA has agreed to co-operate in the preparation of the prospectus and other such documents required in respect of the Tryg Rights Issue and to procure certain actions are taken in connection with the Scandinavia Carve-Out in accordance with the Scheme. Intact, Bidco and Tryg have also agreed to certain obligations to obtain regulatory clearances, including that (subject to limited exceptions) the person(s) responsible for obtaining the relevant clearances will take all such actions as are necessary to ensure the satisfaction of the relevant merger control Conditions and will use reasonable efforts to ensure the satisfaction of the other regulatory Conditions.

RSA has also agreed to include in the Scheme certain undertakings from (amongst others) Intact, Bidco, Tryg and RSA to carry out the steps necessary to effect the Scandinavia Carve-Out, including by procuring that the relevant companies in the RSA Group take relevant steps.

The Co-operation Agreement can be terminated in certain circumstances, including, among other things if: (i) the Acquisition is withdrawn, terminated or lapses (subject to certain exceptions); (ii) Tryg does not take certain actions in relation to the Tryg General Meeting and the resolutions to be proposed at it; (iii) a competing offer completes, becomes effective or is declared unconditional; (iv) prior to the Long Stop Date any Condition has been invoked by Bidco; (v) the RSA Directors withdraw their recommendation of the Acquisition; (vi) the Conditions in paragraph 2 of Appendix 1 are not satisfied by the Long Stop Date; or (vii) the Scheme does not become effective in accordance with its terms by the Long Stop Date or otherwise as agreed between Intact, Bidco, Tryg and RSA.

Pursuant to the terms of the Co-operation Agreement, Bidco undertakes that it will deliver a notice in writing to RSA prior to the Sanction Hearing confirming either: (i) the satisfaction or waiver of the Conditions (other than the Conditions in paragraphs 2 and 3(v) of Appendix 1); or (ii) to the extent permitted by the Panel, that it intends to invoke or treat as unsatisfied or incapable of satisfaction one or more Conditions.

#### *Memoranda of Understanding*

Intact and certain members of the RSA Group have entered into a separate memorandum of understanding with each of the UK Pension Trustees (together, the "**Memoranda of Understanding**"), the key terms of which will take effect conditional on Completion, agreeing to the continuation of current funding arrangements of approximately £75 million per annum (in total) plus expenses across the UK Pension Schemes and regulatory levies, with the £75 million per annum deficit contributions payable to the RIGPS and the SALPS to remain payable until full funding on a previously agreed longer term funding target basis is reached, an additional lump sum payment of just over £75 million (in total) across the UK Pension Schemes to be paid at or very shortly after Completion, serving to improve each UK Pension Scheme's funding position at that time, provisions which may result in mitigation being provided to the UK Pension Schemes if a return of capital or distribution (other than an ordinary course dividend) is paid by Intact where shareholder equity net of goodwill is below CAN\$6 billion and certain Intact commitments with regard to ongoing information sharing and constructive engagement with the UK Pension Trustees.

#### *Guarantees*

Intact has entered into a separate guarantee with each of the UK Pension Trustees (together, the "**Guarantees**"), effective from Completion, in respect of all present and future obligations of RSA to make payments to the UK Pension Schemes. Each such Guarantee will terminate in very limited circumstances (broadly only if Intact takes over direct sponsorship of the UK Pension Schemes where buy-out funding might otherwise become payable, or on a change of control of RSA where a replacement guarantee or other compensation is agreed with the UK Pension Trustees).

#### *Subscription Deeds*

Intact, certain members of the Intact Group, RSA and certain members of the RSA Group have entered into a separate subscription deed, effective from Completion, in respect of each of the UK Pension Schemes (together, the "**Subscription Deeds**") to provide a contractual mechanism granting RSAI the right, in respect of each of the UK Pension Schemes, to require Intact to contribute equity funding to it (by way of equity subscription through each intermediate holding company) in circumstances where RSAI fails to meet its contribution obligations to the relevant UK Pension Scheme and is an alternative route for payment of amounts otherwise due under the relevant Guarantee.

#### *Payment Direction Agreements*

Intact, certain members of the Intact Group, RSA and certain members of the RSA Group have entered into a separate payment direction agreement with each of the UK Pension Trustees (together, the "**Payment Direction Agreements**"), effective from Completion, to ensure that the Intact Group's obligations to make any cash payments under the Subscription Deeds are fully discharged by the consideration for the equity being paid by the Intact Group direct to the relevant UK Pension Trustees.

### 17. **Scheme process and Conditions to the Acquisition**

It is intended that the Acquisition shall be effected by means of a court-sanctioned scheme of arrangement between RSA and the RSA Shareholders under Part 26 of the Companies Act. Bidco reserves the right to effect the Acquisition by way of a Takeover Offer, subject to the consent of the Panel and the terms of the Co-operation Agreement, pursuant to which Bidco has undertaken not to effect the Acquisition by way of a Takeover Offer without RSA's prior written consent.

The effect of the Scheme is to provide for Bidco to become the holder of the entire issued and to be issued ordinary share capital of RSA. This is to be achieved by the transfer of the RSA Shares to Bidco, in consideration for which the RSA Shareholders who are on the register of members at the Scheme Record Time shall receive the Cash Consideration on the basis set out in paragraph 2 of this announcement.

To become effective, the Scheme requires, among other things:

- receipt of clearances (where required), deemed clearances or relevant waiting periods having expired as applicable under the merger control regimes in Canada, Denmark, Norway, Saudi Arabia and Sweden;
- approval or non-objection having been given or deemed to have been given or any relevant waiting periods having expired as applicable in connection with the acquisition of, or increase of control in, regulated firms that will occur in connection with the implementation of the Acquisition Completion Holding Structure, under the financial regulatory regimes in Bahrain, Canada, Denmark, Guernsey, Ireland, the Isle of Man, Luxembourg, Saudi Arabia, Sweden, and the United Kingdom;
- the passing of the resolutions necessary to implement the Tryg Rights Issue at the Tryg General Meeting, or any adjournment of such meeting (which will require the approval of Tryg Shareholders representing at least two thirds of the

votes and shares represented at the Tryg General Meeting either in person, by postal vote or by proxy);

- admission of Tryg shares to listing and trading on Nasdaq Copenhagen pursuant to the Tryg Rights Issue;
- the approval of a majority in number of the RSA Shareholders who are present and vote, whether in person or by proxy, at the Court Meeting and who represent not less than 75% in value of the RSA Shares voted by those RSA Shareholders;
- the passing of the resolutions necessary to implement the Acquisition and the re-registration of RSA as a private limited company at the RSA General Meeting (which will require the approval of RSA Shareholders representing at least 75% of the votes cast at the RSA General Meeting either in person or by proxy);
- the re-registration of RSA as a private limited company; and
- the sanction of the Scheme by the Court and, following such sanction, the delivery of a copy of the Court Order to the Registrar of Companies.

Subject to the requirements of the Panel in accordance with the Takeover Code, under the terms of the Collaboration Agreement, Tryg has the right to direct Intact or Bidco to seek the Panel's consent to Intact invoking any Tryg Condition. Intact or Bidco can only waive (if capable of waiver) or invoke any Tryg Condition, the Re-registration Condition or any Joint Condition with Tryg's consent. In addition, Bidco can only waive the Re-registration Condition with RSA's consent.

The Conditions in paragraph 2 of Appendix 1 to this announcement provide that the Scheme will lapse if:

- the Court Meeting and the RSA General Meeting are not held by the 22<sup>nd</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and RSA);
- the Sanction Hearing to approve the Scheme is not held by the 22<sup>nd</sup> day after the expected date of such hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco and RSA); and
- the Scheme does not become effective by 11.59 p.m. on the Long Stop Date,

provided however that the deadlines for the timing of the Court Meeting, the RSA General Meeting and the Sanction Hearing as set out above may be waived by Bidco, and the Long Stop Date may be extended by agreement between RSA, Tryg and Bidco.

If any Condition in paragraph 2 of Appendix 1 to this announcement is not capable of being satisfied by the date specified therein, Bidco shall make an announcement through a Regulatory Information Service as soon as practicable and, in any event, by not later than 7.00 a.m. on the Business Day following the date so specified, stating whether Bidco has invoked that Condition, (where applicable) waived that Condition

or, with the agreement of RSA, specified a new date by which that Condition must be satisfied.

Once the necessary approvals from RSA Shareholders have been obtained, the other Conditions have been satisfied or (if applicable) waived and the Scheme has been approved by the Court, the Scheme will become effective upon delivery of the Court Order to the Registrar of Companies. Subject to the satisfaction or waiver of the Conditions, the Scheme is expected to become effective during the second quarter of 2021.

Upon the Scheme becoming effective: (i) it shall be binding on all RSA Shareholders, irrespective of whether or not they attended or voted at the RSA Meetings (and if they attended and voted, whether or not they voted in favour); and (ii) share certificates in respect of RSA Shares will cease to be valid and entitlements to RSA Shares held within the CREST system will be cancelled. The Cash Consideration will be despatched to Scheme Shareholders (as defined in the Scheme Document) no later than 14 days after Completion.

It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and RSA General Meeting, together with the associated forms of proxy, will be sent to RSA Shareholders within 28 days of this announcement (or such later time as RSA, Tryg, Bidco and the Panel agree) and the RSA Meetings are expected to be held shortly thereafter, expected to be in mid-January 2021.

Any RSA Shares issued before the Scheme Record Time will be subject to the terms of the Scheme. The resolution(s) to be proposed at the RSA General Meeting will, amongst other matters, provide that the articles of association of RSA be amended to incorporate provisions requiring any RSA Shares issued after the Scheme Record Time (other than to Bidco and/or their nominees) to be automatically transferred to Bidco on the same terms as the Acquisition (other than terms as to timings and formalities). The provisions of the articles of association of RSA (as amended) will avoid any person (other than Bidco and their nominees) holding shares in the capital of RSA after Completion.

#### **18. Delisting and cancellation of trading**

It is intended that the London Stock Exchange and the FCA will be requested respectively to cancel trading in RSA Shares on the London Stock Exchange's market for listed securities and the listing of the RSA Shares from the Official List on or shortly after Completion.

It is expected that dealings in RSA Shares on the Main Market of the London Stock Exchange will be suspended shortly prior to Completion. Further details will be provided in due course.

It is intended that, following Completion, RSA's ADR programme will be terminated. Further details in relation to RSA's ADR programme will be contained in the Scheme Document.

## 19. Disclosure of interests in RSA securities

Save as disclosed below, as at the close of business on 17 November 2020 (being the last Business Day prior to the date of this announcement), neither Bidco, nor any of its directors, nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with it or them; nor Tryg, nor any of its directors, nor so far as Tryg is aware, any person acting in concert (within the meaning of the Takeover Code) with it or them, in each case for the purposes of the Acquisition: (i) had any interest in or right to subscribe for or had borrowed or lent any RSA Shares or securities convertible or exchangeable into RSA Shares, or (ii) had any short positions in respect of relevant securities of RSA (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery, or (iii) has borrowed or lent any relevant securities of RSA (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code) save for any borrowed shares which have been either on-lent or resold, or (iv) is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code:

- Tryg holds indirect interests in RSA through two Blackrock funds, iShares Core MSCI Europe Acc and iShares Stoxx Europe 600 Insurance UCITS ETF DE with a total value of approximately £5,000; and
- Handelsbanken, as financial adviser to TryghedsGruppen, holds 2,500,000 RSA shares for a customer in a total return swap.

It has not been practicable for Bidco or Tryg to make enquiries of all of their concert parties in advance of the release of this announcement. Therefore, if Bidco or Tryg becomes aware, following the making of such enquiries, that any of their concert parties have any additional interests in the relevant securities of RSA, all relevant details in respect of such concert parties will be included in an Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code which must (if required) be made on or before 12 noon (London time) on 19 November 2020.

## 20. Documents

Copies of the following documents will be available promptly on Intact's, Tryg's and RSA's websites, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, at [www.rsagroup.com](http://www.rsagroup.com), [www.Intactfc.com](http://www.Intactfc.com) and [www.Tryg.com](http://www.Tryg.com) respectively, and in any event by no later than 12 noon on the Business Day following the publication of this announcement:

- (a) this announcement;
- (b) the RSA Confidentiality Agreement;
- (c) a confidentiality agreement entered into between Intact and Tryg on 18 August 2020;
- (d) the RSA Clean Team Agreement;

- (e) the Collaboration Agreement;
- (f) the Co-operation Agreement;
- (g) the irrevocable undertakings referred to in paragraphs 5 and 7 above;
- (h) the documents relating to the financing of the Acquisition as described in paragraph 12 of this announcement;
- (i) the Guarantees referred to in paragraph 16 of this announcement;
- (j) Tryg investor presentation for use following this announcement; and
- (k) Intact investor presentation for use following this announcement.

The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.

## 21. **General**

The Acquisition will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Scheme Document. The bases and sources of certain financial information contained in this announcement are set out in Appendix 2. A summary of the irrevocable undertakings given by RSA Shareholders in relation to the Acquisition is contained in Appendix 3. Certain terms used in this announcement are defined in Appendix 4.

The RSA Shares will be acquired pursuant to the Acquisition with full title guarantee, fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of value with a record date falling on or after the Scheme Record Time.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities.

### **Enquiries:**

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Clifford Chance LLP is acting as English law legal adviser, Gorrissen Federspiel Advokatpartnerelskab is acting as Danish law legal adviser and Blake, Cassels & Graydon LLP is acting as Canadian law legal adviser to Intact and Bidco.

CIBC Capital Markets is also acting as financial adviser to Intact.

Herbert Smith Freehills LLP is acting as English law legal adviser and Plesner Advokatpartnerselskab is acting as Danish law legal adviser and Davies Ward Phillips & Vineberg LLP is acting as Canadian law legal adviser to Tryg.

Slaughter and May is acting as English law legal adviser to RSA, Bech-Bruun is acting as Danish law legal adviser to RSA and Stikeman Elliott LLP is acting as Canadian law legal adviser to RSA.

### **Further information**

*Barclays Bank PLC, acting through its Investment Bank ("**Barclays**"), which is authorised by the Prudential Regulation Authority and regulated in the United Kingdom by the FCA and the Prudential Regulation Authority, is acting exclusively for Intact and Bidco and no one else in connection with the matters described herein and will not be responsible to anyone other than Intact and Bidco for providing the protections afforded to clients of Barclays nor for providing advice in relation to the matters described herein or any other matter referred to herein.*

*In accordance with the Takeover Code, normal United Kingdom market practice and Rule 14e-5(b) of the United States Securities Exchange Act of 1934 (the "**US Exchange Act**"), Barclays and its affiliates will continue to act as exempt principal trader in RSA securities on the London Stock Exchange. These purchases and activities by exempt principal traders which are required to be made public in the United Kingdom pursuant to the Takeover Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at [www.londonstockexchange.com](http://www.londonstockexchange.com). This information will also be publicly disclosed in the United States to the extent that such information is made public in the United Kingdom.*

*CIBC, a bank incorporated in Canada pursuant to the Bank Act (Canada) and supervised and regulated by the Office of the Superintendent of Financial Institutions Canada, and CIBC Capital Markets, which is a member of the Canadian Investor Protection Fund and the Investment Industry Regulatory Organization of Canada, are acting for Intact and for no one else in connection with the Transaction and will not be responsible to anyone other than Intact for providing the protections afforded to clients of CIBC or CIBC Capital Markets (as applicable) or for providing advice in relation to the Transaction, the content of this announcement or any matter or other document referred to herein. Neither CIBC, CIBC Capital Markets, nor any of their affiliates owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of CIBC or CIBC Capital Markets (as applicable) in connection with this announcement, any statement contained herein, the Transaction or otherwise.*

*Morgan Stanley & Co. International plc ("**Morgan Stanley**") which is authorised by the PRA and regulated by the FCA and PRA in the UK is acting as financial adviser exclusively for Tryg and no one else in connection with the matters set out in this announcement. In connection with such matters, Morgan Stanley, its affiliates and their respective directors, officers, employees and agents will not regard any other person as their client, nor will they be responsible to any*

*other person for providing the protections afforded to their clients or for providing advice in connection with the contents of this announcement or any other matter referred to herein.*

*Merrill Lynch International ("**BofA Securities**"), which is authorised by the PRA and regulated in the United Kingdom by the FCA and the PRA, is acting as financial adviser and corporate broker exclusively for RSA and no one else in connection with the matters described herein and will not be responsible to anyone other than RSA for providing the protections afforded to clients of BofA Securities nor for providing advice in relation to the matters referred to in this announcement.*

*Robey Warshaw LLP, which is authorised and regulated in the United Kingdom by the FCA, is acting as financial adviser exclusively for RSA and no one else in connection with the matters referred to in this announcement and will not regard any other person as its client in relation to the matters referred to in this announcement and will not be responsible to anyone other than RSA for providing the protections afforded to clients of Robey Warshaw LLP, nor for providing advice in relation to the matters referred to in this announcement.*

*Goldman Sachs International, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting exclusively for RSA and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than RSA for providing the protections afforded to clients of Goldman Sachs International, or for providing advice in relation to the matters referred to in this announcement.*

*This announcement is for information purposes only and is not intended to, and does not, constitute or form part of any offer or invitation to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise. The Acquisition will be made solely through the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any voting decision in respect of, or other response to the Acquisition should be made only on the basis of the information in the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, the offer document).*

*This announcement does not constitute a prospectus, prospectus equivalent document or an exempted document.*

*This announcement is not for publication or distribution, directly or indirectly, in or into the United States of America. This announcement is not an offer of securities for sale into the United States. The securities referred to herein have not been and will not be registered under the U.S. Securities Act of 1933 (the "**US Securities Act**"), as amended, and may not be offered or sold in the United States, except pursuant to an applicable exemption from registration. No public offering of securities is being made in the United States.*

### **Overseas Shareholders**

*This announcement has been prepared in accordance with English law, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.*

*The Acquisition will be subject to, amongst other things, the applicable rules and regulations of the FCA, the London Stock Exchange, the Takeover Code and the Panel.*

*The availability of the Acquisition to RSA Shareholders who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the United Kingdom should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. In particular, the ability of persons who are not resident in the United Kingdom to vote their RSA Shares with respect to the Scheme at the Court Meeting, or to appoint another person as proxy to vote at the Court Meeting on their behalf, may be affected by the laws of the relevant jurisdictions in which they are located. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Scheme Document.*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Scheme by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. If the Acquisition is implemented by way of a Takeover Offer (unless otherwise permitted by applicable law and regulation), the Takeover Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Takeover Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

### **Notice to US investors in RSA**

*The Acquisition relates to the shares of an English company and is being made by means of a scheme of arrangement provided for under English company law. A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in the United Kingdom to schemes of arrangement which differ from the disclosure requirements of the US tender offer and proxy solicitation rules.*

*If, in the future, Bidco exercises its right to implement the Acquisition by way of a Takeover Offer, which is to be made into the US, such Takeover Offer will be made in compliance with the applicable US laws and regulations, including Section 14I and Regulation 14E under the US Exchange Act, subject to the exemptions provided by Rule 14d-1I(d), if available.*

*It may be difficult for US holders of RSA Shares and RSA ADR Holders to enforce their rights and any claim arising out of the US federal securities laws in connection with the Acquisition, since Bidco, RSA and the majority of the business and assets of Intact are located in non-US jurisdictions, and some or all of their officers and directors may be residents of non-US jurisdictions. US holders of RSA Shares and RSA ADR Holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.*

*Any securities offered as part of the Tryg Rights Issue will not be registered under the US Securities Act and may not be offered or sold in, or into, the United States absent registration or an applicable exemption from the registration requirements of the US Securities Act.*

*The financial information included in this announcement has been prepared in accordance with accounting standards applicable in the United Kingdom, Canada or Denmark (as applicable) and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the US ("US GAAP"). US GAAP differs in certain significant respects from accounting standards applicable in the United Kingdom, Canada or Denmark. None of the financial information in this announcement has been audited in accordance with auditing standards generally accepted in the United States or the auditing standards of the Public Company Accounting Oversight Board (United States).*

*Neither the Acquisition nor this announcement have been approved or disapproved by the SEC, any state securities commission in the United States or any other US regulatory authority, nor have such authorities passed upon or determined the adequacy or accuracy of the information contained in this announcement or the merits of this Acquisition. Any representation to the contrary is a criminal offence in the US.*

*The receipt of consideration pursuant to the Acquisition by a US holder of RSA Shares or a RSA ADR Holder may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other, tax laws. Each RSA Shareholder and RSA ADR Holder is urged to consult his or her independent professional adviser immediately regarding the tax consequences of the Acquisition applicable to him or her.*

*To the extent permitted by applicable law, in accordance with normal UK market practice, Bidco or its nominees or brokers (acting as agents) or their respective affiliates may from time to time make certain purchases of, or arrangements to purchase, shares or other securities other than pursuant to the Acquisition, at any time prior to Completion. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any such purchases, or arrangements to purchase, will comply with all applicable rules, including the Takeover Code and Rule 14e-5 under the US Exchange Act. To the extent required by the applicable law, any information about such purchases will be disclosed on a next day basis to a Regulatory Information Service including the Regulatory News Service on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com). To the extent that such information is made public in the United Kingdom, this information will also be deemed to be publicly disclosed in the United States.*

## **Forward-looking statements**

*This announcement (including any information incorporated by reference in this announcement), oral statements made regarding the Transaction, and other information published by Bidco, Intact, Tryg and/or RSA contain statements which are, or may be deemed to be, "forward-looking statements". Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco, Intact, Tryg and/or RSA (as applicable) about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Transaction on Bidco, Intact, Tryg and RSA (including their future prospects, developments and strategies), the expected timing and scope of the Transaction and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "projects", "strategy", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved (or, in each case, their negative or other variations). Although Bidco, Intact, Tryg or RSA (as applicable in relation to forward-looking statements relating to each of them or their respective affiliates) believe that the expectations reflected in such forward-looking statements are reasonable, none of Bidco, Intact, Tryg or RSA (as applicable) can give assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Transaction; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; as future market conditions, changes in general economic and business conditions, the behaviour of other market participants, the anticipated benefits from the proposed transaction not being realised as a result of changes in general economic and market conditions in the countries in which Bidco, Intact, Tryg and RSA operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Bidco, Intact, Tryg and RSA operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those in the forward-looking statements. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco, Intact, Tryg, or RSA, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements. Other than in accordance with their legal or regulatory obligations, none of Bidco, Intact, Tryg, or RSA is under any obligation, and Bidco, Intact, Tryg and RSA expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

## **No profit forecasts, estimates or quantified benefits statements**

*Nothing in this announcement is intended, or is to be construed, as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Intact, Tryg or RSA for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for the relevant company.*

## **Disclosure requirements of the Takeover Code**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) applies must be made by no later than 3.30 pm on the 10<sup>th</sup> Business Day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm on the 10<sup>th</sup> Business Day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm on the Business Day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44*

(0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.

### **Publication on a website**

*This announcement and the documents required to be published pursuant to Rule 26 of the Takeover Code will be available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Intact's website at [www.Intactfc.com](http://www.Intactfc.com), Tryg's website at [www.Tryg.com](http://www.Tryg.com) and on RSA's website at [www.rsagroup.com](http://www.rsagroup.com) promptly and in any event by no later than 12 noon on the Business Day following the publication of this announcement. The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, RSA Shareholders, persons with information rights and participants in the RSA Share Plans may request a hard copy of this announcement by contacting RSA's registrars, Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom, during business hours, on 0371 3842048. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to you in relation to the Acquisition should be in hard copy form.*

### **Electronic Communications**

*Please be aware that addresses, electronic addresses and certain other information provided by RSA Shareholders, persons with information rights and other relevant persons for the receipt of communications from RSA may be provided to Bidco during the Offer Period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.111.*

### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

**APPENDIX 1**  
**CONDITIONS AND FURTHER TERMS OF THE ACQUISITION**

**Part A: Conditions to the Scheme and Acquisition**

1. The Acquisition will be conditional upon the Scheme becoming unconditional and effective, subject to the provisions of the Takeover Code, by no later than 11.59 p.m. on the Long Stop Date.

**Scheme approval**

2. The Scheme will be subject to the following Conditions:
  - (a) (i) its approval by a majority in number of those Scheme Shareholders on the register of members of RSA (or the relevant class or classes thereof) at the Voting Record Time, who are present and voting, whether in person or by proxy, at the Court Meeting and at any separate class meeting which may be required (or any adjournment thereof) and who represent not less than 75% in value of the Scheme Shares voted by those Scheme Shareholders, and (ii) such Court Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the Court Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco, Tryg and RSA (and that the Court may allow));
  - (b) (i) the resolutions required to implement the Scheme being duly passed at the RSA General Meeting (or any adjournment thereof); and (ii) such RSA General Meeting being held on or before the 22<sup>nd</sup> day after the expected date of the RSA General Meeting to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco, Tryg and RSA (and that the Court may allow)); and
  - (c) (i) the sanction of the Scheme by the Court (with or without modification (but subject to such modification being acceptable to Bidco, Tryg and RSA)) and the delivery of a copy of the Court Order to the Registrar of Companies; and (ii) the Sanction Hearing being held on or before the 22<sup>nd</sup> day after the expected date of the Sanction Hearing to be set out in the Scheme Document in due course (or such later date as may be agreed between Bidco, Tryg and RSA (and that the Court may allow)).

**Other conditions**

3. The Acquisition will also be conditional upon the following Conditions and, accordingly, the necessary actions to make the Scheme effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where capable of waiver, waived:

**Antitrust**

- (a) either of the following:

- (i) the issuance of an advance ruling certificate by the Commissioner of Competition under section 102(1) of the Competition Act (Canada) in respect of the Acquisition; or
  - (ii) (I) the applicable waiting period under subsection 123(1) of the Competition Act (Canada), and any extension thereof, having expired or having been terminated under subsection 123(2) of the Competition Act (Canada), or the obligation to submit a notification under Part IX of the Competition Act (Canada) having been waived by the Commissioner of Competition pursuant to paragraph 113(c) of the Competition Act (Canada); and (II) unless waived by Bidco in its sole discretion, the Commissioner of Competition having issued a "no-action" letter confirming that the Commissioner of Competition does not at that time intend to make an application for an order under section 92 of the Competition Act (Canada) in respect of the Acquisition and such "no action" letter remains in full force and effect on Completion;
- (b) (i) the Saudi General Authority for Competition ("**GAC**") having issued a notice or decision approving the Acquisition or stating that GAC have no objection to the consummation of the Acquisition (in each case, whether conditionally or unconditionally) and, where any such notice or decision is conditional, the conditional notice or decision has not been withdrawn by the Board of Directors of GAC (because of non-compliance with the conditions set forth in the decision or notice) as of the date of this announcement; (ii) the Acquisition having been deemed approved by GAC because the applicable waiting period pursuant to Article 23 of the Implementing Regulations issued by Resolution No. (337) dated 25/1/1441H issued by the Board of Directors of GAC has expired without the Board issuing any notice or decision to any of the parties or by way of public announcement; or (iii) the Governor or Board of GAC having confirmed in writing (addressed to any of Intact, Tryg, Bidco or RSA) that the requirement to file for economic concentration clearance does not apply (or has been waived) in respect of the Acquisition;
- (c) in so far as the European Commission ("**Commission**") has jurisdiction to examine all or part of the Transaction pursuant to Council Regulation (EC) 139/2004/EC (the "**Regulation**") or accepts jurisdiction under Article 22 of the Regulation, the Commission:
- (i) taking a decision (or being deemed to have taken such a decision) under Article 6(1)(b), Article 8(1) or Article 8(2) of the Regulation declaring the Transaction or relevant part of the Transaction compatible with the internal market; or
  - (ii) taking a decision (or being deemed to have taken such a decision) to refer all or part of the Transaction to the competent regulatory authorities of one or more Member States (under Article 9(3) of the Regulation) or EFTA States (under Article 6(1) of the Protocol 24 to the EEA Agreement), and each such competent regulatory authority (including the Commission, where only part of the Transaction is referred) taking

a decision which satisfies paragraph 3(c)(i) (such paragraph being interpreted *mutatis mutandis*);

- (d) in so far as the Commission does not have or does not accept jurisdiction to examine all or part of the Transaction pursuant to the Regulation, in respect of the parts of the Transaction which the Commission does not have jurisdiction to examine:
- (i) that a merger notification to the Danish Competition and Consumer Authority (Danish: *Konkurrence og Forbrugerstyrelsen*) of the acquisition of RSA's Danish Business by Intact has been made and that either (i) all applicable suspensions and other relevant time periods (including any extensions thereof) in relation to such filing have expired, lapsed or been terminated under applicable law, or (ii) the Danish Competition and Consumer Authority's or the Danish Competition Council's approval has been obtained; and/or
  - (ii) that a merger notification has been made to the Norwegian Competition Authority (Norwegian: *Konkurransetilsynet*) for the Transaction and that either: (i) all applicable suspensions and other relevant time periods (including any extensions thereof) in relation to such notification have expired, lapsed or been terminated under applicable law, or (ii) the Norwegian Competition Authority's approval has been obtained; and/or
  - (iii) that a merger notification has been made to the Swedish Competition Authority (Swedish: *Konkurrensverket*) for the Transaction and that either: (i) all applicable suspensions and other relevant time periods (including any extensions thereof) in relation to such notification have expired, lapsed or been terminated under applicable law, or (ii) the Swedish Competition Authority's approval has been obtained;

## **Regulatory**

- (e) in respect of each person who will acquire control or (if applicable) increase control over (as defined in sections 181 and 182 of FSMA) any member of the RSA Group which is a PRA-authorized person, in each case within the meaning of Part XII of FSMA and which in either case would result from the implementation of the Acquisition Completion Holding Structure, (a) the PRA not having cancelled or materially varied, and not having notified (or intimated that it intends to notify) any proposal to cancel or materially vary, any permission (within the meaning of FSMA) held by any such authorised person at the date of this announcement and (b):
- (i) the PRA giving notice for the purpose of section 189(4)(a) of FSMA that it has determined to approve such acquisition of or increase in control;
  - (ii) the PRA giving notice for the purpose of section 189(7) of FSMA that it has determined to approve such acquisition of or increase in control subject to conditions, with such conditions being satisfactory to Bidco (acting reasonably); or

- (iii) the PRA being treated, by virtue of section 189(6) of FSMA, as having approved such acquisition of or increase in control;
- (f) in respect of each person who will acquire control or (if applicable) increase control over (as defined in sections 181 and 182 of FSMA), any member of the RSA Group which is a UK authorised person (as defined in section 191G(1) of FSMA) other than a PRA-authorized person and which in either case would result from the implementation of the Acquisition Completion Holding Structure, (a) the FCA not having cancelled or materially varied, and not having notified (or intimated that it intends to notify) any proposal to cancel or materially vary, any permission (within the meaning of FSMA) held by any such authorised person at the date of this announcement and (b):
- (i) the FCA giving notice for the purpose of section 189(4)(a) of FSMA that it has determined to approve such acquisition of or increase in control;
  - (ii) the FCA giving notice for the purpose of section 189(7) of FSMA that it has determined to approve such acquisition of or increase in control subject to conditions, with such conditions being satisfactory to Bidco (acting reasonably); or
  - (iii) the FCA being treated, by virtue of section 189(6) of FSMA, as having approved such acquisition of or increase in control;

where references to FSMA are read, where applicable, with the Financial Services and Markets Act 2000 (Controllers) (Exemptions) Order 2009;

- (g) in respect of each person who will, as a result of the implementation of the Acquisition Completion Holding Structure, acquire a restricted interest (as defined in Schedule 13, Paragraph 2(1) of the Legal Services Act 2007 ("**LSA**") (as amended from time to time)) in any member of the RSA Group which is regulated by the Solicitors Regulation Authority (the "**SRA**"), and who is required to notify the SRA of this acquisition under Schedule 13, Paragraph 21(2) of the LSA, the SRA providing its unconditional approval (by virtue of Schedule 13, Paragraph 27 of the LSA) to any such acquisitions of relevant interests in such members of the RSA Group (or making a conditional approval of the acquisition of such notifiable interest (as defined in Schedule 13, Paragraph 21(4)(b) of the LSA) by virtue of Schedule 13, Paragraph 28 of the LSA where such conditions are satisfactory to Bidco, acting reasonably);
- (h) the Danish FSA giving notice in writing pursuant to section 61 of DFBA of its approval or being treated as having given its approval under section 61(7) of DFBA in respect of each person and entity that, directly or indirectly, will acquire a qualifying interest (as defined in Section 5(3) of DFBA) or (if applicable) cross an applicable ownership threshold (as set out in section 61 of DFBA) in respect of any member of the RSA Group which is a Danish financial undertaking (as defined in section 5(1)(1) of DFBA), a Danish financial holding undertaking (as defined in section 5(1)(10) of DFBA) or a Danish insurance holding undertaking (as defined in section 5(1)(13)), and which would result from the implementation of all the steps necessary to arrive at the Acquisition Completion Holding Structure and the DFSA not having cancelled or materially

varied, and not having notified (or intimated that it intends to notify) any proposal to cancel or materially vary, any permission (within the meaning of DFBA) held by any such authorised person at the date of this announcement;

- (i) approval of the Minister of Finance (Canada) pursuant to s. 407(1) and 407.1(1) of the Insurance Companies Act (Canada) in connection with the proposed indirect acquisition of a significant interest in, and control of, each of Ascentus Insurance Ltd., Canadian Northern Shield Insurance Company, Western Assurance Company, Unifund Assurance Company, Quebec Assurance Company and Royal & Sun Alliance Insurance Company of Canada which would result from the implementation of the Acquisition Completion Holding Structure;
- (j) the Central Bank of Ireland ("**CBI**") giving notice in writing pursuant to Chapter 4, of the European Union (Insurance and Reinsurance) Regulations 2015 (the "**2015 Regulations**") of its approval or being treated as having given its approval under Regulation 67(4) of the 2015 Regulations in respect of each person and entity that, directly or indirectly, will acquire or dispose of a qualifying interest (as set out in Chapter 4 of the 2015 Regulations) or (if applicable) cross an applicable prescribed percentage (as set out in Chapter 4 of the 2015 Regulations) in respect of any member of the RSA Group which is an Irish insurance undertaking (as defined in Regulation 3 of the 2015 Regulations), and which would result from the implementation of all the steps necessary to arrive at the Acquisition Completion Holding Structure and the CBI not having cancelled or materially varied, and not having notified (or intimated that it intends to notify) any proposal to cancel or materially vary, any permission (within the meaning of the 2015 Regulations) held by any such authorised person at the date of this announcement;
- (k) the Commissariat aux Assurances ("**CAA**") giving notice in writing of its approval (or non-objection) by virtue of Article 88 and any other relevant provisions of the Luxembourg Law of 7 December 2015 on the insurance sector (as amended) (the "**Luxembourg Insurance Sector Law**"), in respect of each person who will acquire a qualifying participation or (if applicable) increase an existing qualifying participation in (both as defined in the Luxembourg Insurance Sector Law) any member of the RSA Group which is a Luxembourg (re-)insurance undertaking (as defined in the Luxembourg Insurance Sector Law) and which would result from the implementation of the Acquisition Completion Holding Structure and the CAA not having cancelled or materially varied, and not having notified (or intimated that it intends to notify) any proposal to cancel or materially vary, any permission (within the meaning of Luxembourg Insurance Sector Law) held by any such authorised person at the date of this announcement;
- (l) the Swedish FSA giving notice in writing pursuant to Chapter 15, section 1 of SIBA of its approval or being treated as having given its approval under Chapter 15, section 1 of SIBA in respect of each person and entity that, directly or indirectly, will acquire a qualifying interest (as set out in Chapter 1, section 15 of SIBA) or (if applicable) cross an applicable ownership threshold (as set out in Chapter 15, section 1 of SIBA) in respect of any member of the RSA Group

which is a Swedish insurance undertaking (as defined in Chapter 1, section 3 of SIBA), and which would result from the implementation of all the steps necessary to arrive at the Acquisition Completion Holding Structure and the Swedish FSA not having cancelled or materially varied, and not having notified (or intimated that it intends to notify) any proposal to cancel or materially vary, any permission (within the meaning of SIBA) held by any such authorised person at the date of this announcement;

- (m) the Guernsey Financial Services Commission (the "**GFSC**") having provided notice that there is no objection to any change in controller (as the latter is defined in Schedule 5 of the Insurance Business (Bailiwick of Guernsey) Law, 2002 (the "**Insurance Business Law**") required for the purposes of the implementation of the Acquisition Completion Holding Structure in accordance with the provisions of Section 25(1)(c) of the Insurance Business Law or the failure of the Guernsey Financial Services Commission to notify the relevant controller of any such objection within 60 days of being notified in writing of the intention for that person to have become a controller, accompanied by such documentation as the GFSC may require;
- (n) the Isle of Man Financial Services Authority ("**IOMFSA**"): (a) giving notice in writing that it has no objection to the acquisition of control of each member of the RSA Group which is an authorised insurer, within the meaning of the Insurance Act 2008 of the Isle of Man ("**IA2008**"), which would result from the implementation of the Acquisition Completion Holding Structure; or (b) if no such notice has been given by the date which is the later of (i) 4 months from the date of this announcement and (ii) the date on which all other of Conditions 3(a) to 3(r), inclusive have been satisfied, the IOMFSA not having issued, or intimated that it intends to issue, a direction pursuant to section 29(2) of the IA 2008 prohibiting such acquisition of control and, in either case (a) or (b) the IOMFSA not having cancelled or materially varied, or notified (or intimated that it intends to notify) any proposal to cancel or materially vary any authorisation (within the meaning of the IA 2008) held by any such authorised insurer at the date of this announcement;
- (o) the Central Bank of Bahrain granting its approval for the change of "controllers" (as defined in accordance with the Central Bank of Bahrain Rulebook Volume 3, GR-5.1.1 and BR-2.3.7 and Articles 52 to 56 of the Central Bank of Bahrain and Financial Institutions Law 2006 and its implementing regulations (as amended)) in Royal & Sun Alliance Insurance (Middle East) Limited BSC (c) which would result from the implementation of the Acquisition Completion Holding Structure;
- (p) approval of the Superintendence of Private Insurance ("**SUSEP**") pursuant to the provisions of Private Insurance National Council ("**CNSP**") Resolution No. 330/2015 and SUSEP Circular No. 529/2016 in connection with the proposed acquisition, directly or indirectly, of corporate control of each member of the RSA Group which is an authorised reinsurance company in Brazil (admitted reinsurer) as a result of implementation of the Acquisition Completion Holding Structure;

- (q) the Saudi Arabian Monetary Authority, granting its approval in writing for the acquisition by Intact of the interest in Al Alamiya for Cooperative Insurance Company, which would result from the implementation of the Acquisition Completion Holding Structure;
- (r) the Saudi Arabian Capital Market Authority, granting a waiver to Intact with respect to not exercising its right under the Article 23 of the Merger and Acquisitions Regulations issued by a resolution of the board of the CMA No. 1-50-2007 dated 21/9/1428H corresponding to 3 October 2007 (as amended by a resolution of the board of the CMA Number 3-45-2018 dated 07/08/1439H corresponding to 23 April 2018 and as may be amended further from time to time) to impose a requirement on Intact to make a mandatory tender offer for all the remaining shares in Al Alamiya for Cooperative Insurance Company that, following the implementation of the Acquisition Completion Holding Structure, it will not own (directly or indirectly);

### **Tryg Rights Issue approvals**

- (s) the passing at the Tryg General Meeting (or at any adjournment of such meeting) of such resolution or resolutions as are required by Danish law to authorise the board of Tryg to increase Tryg's share capital in order to effect and implement the Tryg Rights Issue;
- (t) the final admission of the new Tryg shares pursuant to the Tryg Rights Issue becoming effective in accordance with the applicable Danish law and the Nasdaq Nordic Main Market Rulebook for Issuers of Shares and the admission of such shares to listing and trading becoming effective on Nasdaq Copenhagen under the existing ISIN code of Tryg shares;

### **Intact Private Placement approval**

- (u) approval of the Toronto Stock Exchange of (i) the issuance of the subscription receipts to be issued in the Cornerstone Private Placement and (ii) the listing of the Intact shares to be issued pursuant to such subscription receipts;

### **Re-registration as a private limited company**

- (v) (i) a Re-registration Resolution being duly passed (and not being withdrawn, cancelled or otherwise ceasing to be valid); and (ii) following the sanction of the Scheme by the Court (with or without modification (but subject to such modification being acceptable to Bidco, Tryg and RSA)), the re-registration of RSA as a private limited company having been completed through the Registrar of Companies having issued a certificate of incorporation reflecting re-registration in accordance with section 101 of the Companies Act;

### **Other Third Party Clearances**

- (w) other than in respect of Conditions 3(a) to 3(r), no central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental, administrative, fiscal or investigative body, court, trade agency, association, institution, environmental body, employee representative body or

any other body or person whatsoever in any jurisdiction (each a "**Third Party**") having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and in each case, not having withdrawn the same), or having required any action to be taken or otherwise having done anything or having enacted, made or proposed any statute, regulation, decision, order or change to published practice (and in each case, not having withdrawn the same) and there not continuing to be outstanding any statute, regulation, decision or order which would reasonably be expected to:

- (i) make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider RSA Group by any member of the Wider Intact Group void, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly materially prevent, prohibit, restrain, restrict, impede, challenge, delay or otherwise materially interfere with the approval or implementation of, or impose additional material conditions or obligations with respect to, the Acquisition or the proposed acquisition of any shares or other securities in, or control or management of, any member of the Wider RSA Group by any member of the Wider Intact Group or require material amendment of the Scheme;
- (ii) require, prevent or delay the divestiture or alter the terms envisaged for such divestiture by any member of the Wider Intact Group or by any member of the Wider RSA Group of all or any part of their businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) in each case or to own, control or manage any of their assets or properties (or any part thereof) to an extent which is material in the context of the Wider RSA Group taken as a whole or the Wider Intact Group taken as a whole or in the context of the Transaction (as the case may be);
- (iii) impose any limitation on, or result in a delay in, the ability of any member of the Wider Intact Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities in RSA (or any member of the Wider RSA Group) or on the ability of any member of the Wider RSA Group or any member of the Wider Intact Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider RSA Group in each case to an extent which is material in the context of the Wider RSA Group taken as a whole or the Wider Intact Group taken as a whole, or in the context of the Transaction (as the case may be);
- (iv) other than pursuant to the implementation of the Transaction, or, if applicable, sections 974 to 991 of the Companies Act 2006, require any member of the Wider Intact Group or the Wider RSA Group to acquire or offer to acquire any shares, other securities (or the equivalent) or

interest in any member of the Wider RSA Group or any asset owned by any third party which is material in the context of the Wider RSA Group or the Wider Intact Group, in each case taken as a whole or in the context of the Transaction;

- (v) require, prevent or delay a divestiture by any member of the Wider Intact Group of any shares or other securities (or the equivalent) in any member of the Wider RSA Group to an extent which is material in the context of the Wider RSA Group taken as a whole or in the context of the Transaction;
- (vi) result in any member of the Wider RSA Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Wider RSA Group taken as a whole or in the context of the Transaction;
- (vii) impose any limitation on the ability of any member of the Wider Intact Group or any member of the Wider RSA Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Intact Group and/or the Wider RSA Group in a manner which is materially adverse to the Wider Intact Group and/or the Wider RSA Group, in either case, taken as a whole or in the context of the Transaction; or
- (viii) except as Disclosed, otherwise affect the business, assets, value, profits, prospects or operational performance of any member of the Wider RSA Group or any member of the Wider Intact Group in each case in a manner which is adverse to and material in the context of the Wider RSA Group or the Wider Intact Group taken as a whole or in the context of the Transaction;

and all applicable waiting and other time periods (including any extensions thereof) during which any such Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any jurisdiction in respect of the Acquisition or proposed acquisition of any RSA Shares or otherwise intervene having expired, lapsed, or been terminated;

- (x) other than in respect of Conditions 3(a) to 3(r), all notifications, filings or applications having been made and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate) and all statutory and regulatory obligations in any jurisdiction having been complied with and all Authorisations which are mandatory in any jurisdiction for or in respect of the Transaction (in the case of any Authorisations relating to any antitrust, competition or merger control laws or regulations) or the implementation of the Acquisition Completion Holding Structure (in all other cases) or the proposed acquisition of any shares or other securities in, or control of, RSA by any member of the Wider Intact Group having been obtained on terms and in a form reasonably satisfactory to Bidco (except where otherwise provided for in the Co-operation Agreement, and otherwise acting reasonably

in consultation with RSA) from all appropriate Third Parties or (without prejudice to the generality of the foregoing) from any person or bodies with whom any member of the Wider RSA Group or the Wider Intact Group has entered into contractual arrangements in each case where the direct consequence of a failure to make such notification or filing or to wait for the expiry, lapse or termination of any such waiting or other time period or to comply with such obligation or obtain such Authorisation would be unlawful in any relevant jurisdiction or have a material adverse effect on the Wider RSA Group, any member of the Wider Intact Group or the ability of Bidco to implement the Scheme and all such Authorisations remaining in full force and effect at the time at which the Scheme becomes otherwise unconditional in all respects and there being no notice or intimation of an intention by such Third Parties to revoke, suspend, restrict, modify or not to renew such Authorisations;

### **Confirmation of absence of adverse circumstances**

- (y) except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider RSA Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider Intact Group of any shares or other securities in RSA or because of a change in the control or management of any member of the Wider RSA Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider RSA Group taken as a whole in the context of the Transaction:
  - (i) any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider RSA Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;
  - (ii) the rights, liabilities, obligations, interests or business of any member of the Wider RSA Group or any member of the Wider Intact Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider RSA Group or any member of the Wider Intact Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or becoming capable of being terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
  - (iii) any member of the Wider RSA Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - (iv) any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider RSA Group being or falling to be disposed of

or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider RSA Group;

- (v) other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider RSA Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
- (vi) the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider RSA Group being prejudiced or adversely affected;
- (vii) the creation or acceleration of any liability (actual or contingent) by any member of the Wider RSA Group; or
- (viii) any liability of any member of the Wider RSA Group to make any severance, termination, bonus or other payment to any of its directors or other officers;

**No material transactions, claims or changes in the conduct of the business of the Wider RSA Group**

- (z) since 30 June 2020 and except as Disclosed and/or agreed between RSA and Intact, no member of the Wider RSA Group having, to the extent which is material in the context of the Wider RSA Group taken as a whole or in the context of the Transaction:
  - (i) save as between RSA and its wholly-owned subsidiaries or between such wholly-owned subsidiaries and save for the issue or transfer out of treasury of RSA Shares on the exercise of options or vesting of awards granted in the ordinary course under the RSA Share Plans, issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of RSA Shares out of treasury;
  - (ii) recommended, declared, paid or made or proposed to recommend, declare, pay or make any bonus issue, dividend or other distribution or return of capital (whether payable in cash or otherwise) other than to RSA or one of its wholly-owned subsidiaries;
  - (iii) save as between RSA and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired anybody corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or

created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so;

- (iv) save as between RSA and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital other than in the ordinary course of business;
- (v) issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between RSA and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider RSA Group or in the context of the Transaction;
- (vi) entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long-term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is, in any such case, material in the context of the Wider RSA Group taken as a whole or in the context of the Transaction, or which is or is reasonably likely to be restrictive on the business of any member of the Wider RSA Group to an extent which is or is likely to be material to the Wider RSA Group taken as a whole;
- (vii) entered into any licence or other disposal of intellectual property rights of any member of the Wider RSA Group which are material in the context of the Wider RSA Group taken as a whole and outside the normal course of business;
- (viii) entered into, varied, authorised or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary to a material extent the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider RSA Group save for salary increases, bonuses or variations of terms in the ordinary course;
- (ix) proposed, agreed to provide or modified the terms of any share option scheme, incentive scheme, or other benefit relating to the employment or termination of employment of any employee of the Wider RSA Group which, taken as a whole, are material in the context of the Wider RSA Group taken as a whole;
- (x) (I) (excluding the corporate trustee of any pension scheme(s) that is itself a member of the RSA Group) announced made, agreed or consented to significant change to: (a) the terms of the trust deeds, rules, policy or

other governing documents constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider RSA Group or their dependants and operated or funded by a member of the RSA Group (a "**Relevant Pension Plan**"); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; (d) the basis or rate of employer contribution to a Relevant Pension Plan, other than as required in accordance with applicable law; or (II) entered into or consented to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (III) carried out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would or is reasonably likely to give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 to 56 inclusive of the Pensions Act 2004 in relation to a Relevant Pension Plan and other than as required in accordance with applicable law;

- (xi) changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;
- (xii) entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Scheme) otherwise than in the ordinary course of business which is material in the context of the Wider RSA Group taken as a whole or in the context of the Transaction;
- (xiii) purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced or, save in respect of the matters mentioned in sub-paragraph (i) above, made any other change to any part of its share capital to an extent which (other than in the case of RSA) is material in the context of the Wider RSA Group taken as a whole;
- (xiv) waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider RSA Group taken as a whole or in the context of the Transaction;
- (xv) made any material alteration to its articles of association or other constitutional documents (in each case, other than in connection with the Scheme);

- (xvi) (other than in respect of a member of the Wider RSA Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any material part of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which is material in the context of the Wider RSA Group taken as a whole or in the context of the Transaction;
- (xvii) been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider RSA Group taken as a whole;
- (xviii) entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;
- (xix) terminated or varied the terms of any agreement or arrangement between any member of the Wider RSA Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider RSA Group taken as a whole; or
- (xx) having taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of RSA Shareholders in a general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

**No material adverse change**

- (aa) since 30 June 2020, and except as Disclosed, there having been:
  - (i) no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider RSA Group to an extent which is material to the Wider RSA Group taken as a whole or in the context of the Transaction;
  - (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider RSA Group having been threatened,

announced or instituted by or against or remaining outstanding against any member of the Wider RSA Group or to which any member of the Wider RSA Group is or may become a party (whether as claimant or defendant or otherwise) and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Third Party against or in respect of any member of the Wider RSA Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider RSA Group which, in any such case, might reasonably be expected to have a material adverse effect on the Wider RSA Group taken as a whole or in the context of the Transaction;

- (iii) no contingent or other liability having arisen, increased or become apparent other than in the ordinary course of business which is reasonably likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider RSA Group to an extent which is material to the RSA Group taken as a whole or in the context of the Transaction; and
  - (iv) no withdrawal, cancellation, termination or modification of any licence held by any member of the Wider RSA Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which might reasonably be expected to have a material adverse effect on the RSA Group taken as a whole or in the context of the Transaction;
- (bb) since 30 June 2020, and except as Disclosed, neither Bidco nor Tryg having discovered:
- (i) that any financial, business or other information concerning the Wider RSA Group publicly announced or disclosed to Bidco, any member of the Wider Tryg Group, or any member of the Wider Intact Group at any time prior to the date of this announcement by or on behalf of any member of the Wider RSA Group or to any of their advisers is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider RSA Group taken as a whole or in the context of the Transaction;
  - (ii) that any member of the Wider RSA Group is subject to any liability, contingent or otherwise, which is material in the context of the Wider RSA Group taken as a whole or in the context of the Transaction; or
  - (iii) any information which affects the import of any information disclosed to Bidco at any time by or on behalf of any member of the Wider RSA Group which is material in the context of the Wider RSA Group taken as a whole or in the context of the Transaction;

### **Environmental liabilities**

- (cc) except as Disclosed, in relation to any release, emission, accumulation, discharge, disposal or other circumstance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco-systems, no past or present member of the Wider RSA Group, (i) having committed any violation of any applicable laws, statutes, regulations, Authorisations, notices or other requirements of any Third Party; and/or (ii) having incurred any liability (whether actual or contingent) to any Third Party; and/or (iii) being likely to incur any liability (whether actual or contingent), or being required, to make good, remediate, repair, re-instate or clean up the environment (including any property) in each case of (i), (ii), or (iii) which such liability or requirement would be material to the Wider RSA Group taken as a whole or in the context of the Transaction;

### **Intellectual Property**

- (dd) no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider RSA Group which would have a material adverse effect on the Wider RSA Group taken as a whole or is otherwise material in the context of the Transaction, including:
  - (i) any member of the Wider RSA Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider RSA Group being revoked, cancelled or declared invalid;
  - (ii) any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider RSA Group to, or the validity or effectiveness of, any of its intellectual property; or
  - (iii) any agreement regarding the use of any intellectual property licensed to or by any member of the Wider RSA Group being terminated or varied;

### **Anti-corruption and sanctions**

- (ee) except as Disclosed, Bidco not having discovered that:
  - (i) any past or present member, director, officer or employee of the Wider RSA Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;
  - (ii) any member of the Wider RSA Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended);

- (iii) any past or present member, director, officer or employee of the Wider RSA Group or any person that performs or has performed services for or on behalf of any such company has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction;

**No criminal property**

- (ff) except as Disclosed, Bidco not having discovered that any asset of any member of the Wider RSA Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

## **Part B: Further terms of the Acquisition**

1. Subject to the requirements of the Panel in accordance with the Takeover Code and the terms of the Collaboration Agreement, Bidco (with Tryg's consent or at Tryg's direction where applicable) reserves the right to waive, in whole or in part, all of any of Conditions 1, 2 and 3(a) to 3(ff), except Conditions 2(a)(i), 2(b)(i), 2(c)(i), 3(s), 3(t) and 3(u) which cannot be waived. Bidco shall not waive the Re-registration Condition without the consent of RSA.
2. Each of the Conditions (other than Conditions 1,2(c) and 3(v)) must be fulfilled, determined by Bidco to be or to remain satisfied or, where applicable, waived prior to the Sanction Hearing, failing which the Acquisition will lapse. Bidco shall be under no obligation to waive or treat as satisfied any of the Conditions that it is entitled (with the consent of the Panel) to invoke, by a date earlier than the latest date specified above for the fulfilment or waiver of that Condition, notwithstanding that the other Conditions may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
3. If Bidco is required by the Panel to make an offer for RSA Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions as are necessary to comply with the provisions of that Rule.
4. Under Rule 13.5(a) of the Takeover Code, Bidco may not invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn unless the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Transaction. Conditions 2(a)(i), 2(b)(i), 2(c)(i), 3(s), 3(t) and 3(u) and, if applicable, any acceptance condition if the Acquisition is implemented by means of a Takeover Offer, are not subject to this provision of the Takeover Code.
5. Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme, with the consent of the Panel and subject to the terms of the Co-operation Agreement. In such event, the Acquisition will be implemented on the same terms (subject to appropriate amendments including (without limitation) the inclusion of an acceptance condition set at 90% (or such lower percentage (being more than 50%) as Bidco may, subject to the rules of the Takeover Code and the terms of the Co-operation Agreement and with the consent of the Panel, decide) of the shares to which the Acquisition relates and those required by, or deemed appropriate by, Bidco under applicable law, so far as applicable) as those which would apply to the Scheme. Further, if sufficient acceptances of such offer are received and/or sufficient RSA Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of the Companies Act to acquire compulsorily any outstanding RSA Shares to which such Takeover Offer relates.
6. The Acquisition will lapse if:
  - (a) the European Commission initiates proceedings under Article 6(1)(c) of the Council Regulation in connection with the Acquisition or any matter arising from or relating to the Acquisition (including the Scandinavia Separation); or

(b) the Acquisition or any matter arising from or relating to it (including the Scandinavia Separation) becomes subject to a Phase 2 CMA Reference,

in either case, before the date of the Court Meeting and the RSA General Meeting.

7. The Acquisition will be governed by English law and be subject to the jurisdiction of the English courts and to the Conditions set out above. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange, the Listing Rules, the FCA and the Registrar of Companies.
8. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.
9. The RSA Shares will be acquired pursuant to the Acquisition with full title guarantee fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other third party rights and interests of any nature whatsoever and together with all rights now or hereafter attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid or any other return of value with a record date falling on or after the Scheme Record Time.
10. If, on or after the date of this announcement and before the Scheme Record Time, any dividend and/or other distribution and/or return of capital (other than the Interim Dividend) is declared, made or paid or becomes payable in respect of the RSA Shares with a record date falling on or before the Scheme Record Time, Bidco reserves the right to reduce the Cash Consideration payable under the terms of the Acquisition for the RSA Shares by an amount up to the amount of such dividend and/or other distribution and/or return of capital, in which case any reference in this announcement to the Cash Consideration payable under the terms of the Acquisition will be deemed to be a reference to the Cash Consideration as so reduced. In such circumstances, RSA Shareholders would be entitled to retain any such dividend and/or other distribution and/or return of capital.
11. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and those terms which will be set out in the Scheme Document and the Co-operation Agreement and such further terms as may be required to comply with the Listing Rules and the provisions of the Takeover Code.
12. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws of the relevant jurisdiction. Any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about and observe any applicable requirements. Further information in relation to Overseas Shareholders will be contained in the Scheme Document.
13. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of, any jurisdiction where to do so would violate the laws of that jurisdiction.

## APPENDIX 2 SOURCES AND BASES OF INFORMATION

Unless otherwise stated in this announcement:

1. the value attributed to the fully diluted issued share capital of RSA is based on a value of 685 pence per RSA Share; and
  - (a) 1,034,652,739 RSA Shares in issue on 16 November 2020 (being the last practicable date prior to the date of this announcement); *plus*
  - (b) 15,732,452 RSA Shares which may be issued on or after the date of this announcement to satisfy the exercise of options and vesting of awards granted, or which it is assessed may be granted before Completion, under the RSA Share Plans as at 16 November 2020 (being the last practicable date prior to the date of this announcement), on the basis of a modelling assumption for these purposes only that Completion occurs by 30 April 2021;
2. unless otherwise stated, all prices for RSA Shares have been derived from Bloomberg and represent London Stock Exchange Closing Prices on the relevant date(s);
3. the three month volume weighted average price of 453 pence per RSA Share to 4 November 2020 is derived from data provided by Bloomberg;
4. RSA's net asset value per share of 391 pence is extracted from the financial statements of RSA as of 30 June 2020;
5. RSA's tangible net asset value per share of 307 pence is extracted from the financial statements of RSA as of 30 June 2020;
6. RSA's estimated Solvency II coverage ratio at 30 September 2020 of 168% (and 159% including accruals for current year dividends and the 2019 final dividend) is extracted from RSA's Q3 2020 Trading Update;
7. unless otherwise stated, the financial information relating to Intact is extracted from the FY19 audited consolidated financial statements of Intact;
8. unless otherwise stated, the financial information relating to RSA is extracted from the FY19 audited consolidated financial statements of RSA;

9. unless otherwise stated, the financial information relating to Tryg is extracted from the FY19 consolidated financial statements of Tryg;
10. where amounts are shown in both Danish krone and Euros in this announcement, an exchange rate of DKK 1:EUR 0.1343 has been used;
11. where amounts are shown in both Danish krone and sterling in this announcement, an exchange rate of DKK 1:GBP 0.1211 has been used;
12. where pro forma figures are shown in Canadian dollars in this announcement, an exchange rate ratio of GBP 1:CAD 1.7153 has been used; and
13. as at 16 November 2020 (being the last practicable date prior to the date of this announcement), Tryg's share capital amounted to a nominal value of DKK 1,510,739,955 distributed between 302,147,991 shares at DKK 5, whereby each Tryg share equals 500 votes.

**APPENDIX 3  
DETAILS OF IRREVOCABLE UNDERTAKINGS**

**1. RSA Directors**

The following RSA Directors have given irrevocable undertakings to vote, or procure votes, in favour of the resolutions relating to the Acquisition at the RSA Meetings in respect of their own beneficial holdings of RSA Shares or RSA ADRs (or those RSA Shares or RSA ADRs over which they have control):

<b>Name</b>	<b>Total Number of RSA Shares or RSA ADRs</b>	<b>Percentage of existing issued share capital</b>
Alastair Barbour	12,039	0.0012
Sonia Baxendale	6,600	0.0006
Clare Bousfield	5,732	0.0006
Scott Egan	218,640	0.0211
Stephen Hester	1,021,075	0.0987
Charlotte Jones	43,094	0.0042
Martin Scicluna	14,303	0.0014
Kathleen Shailer	4,124	0.0004
Martin Strobel	12,000	0.0012
<b>Total:</b>	<b>1,337,607</b>	<b>0.13</b>

The irrevocable undertakings referred to in paragraph 1 above cease to be binding on the earliest of the following occurrences: (i) Bidco announces, with the consent of the Panel, that it does not intend to proceed with the Acquisition and no new, revised or replacement scheme or Takeover Offer is announced in accordance with Rule 2.7 of the Takeover Code at the same time; (ii) the Scheme lapses or is withdrawn in accordance with its terms and Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Takeover Offer or otherwise; (iii) the Scheme has not become effective by 11.59 p.m. (London time) on the Long Stop Date (or such later time as agreed between RSA, Bidco and Tryg); (iv) the date on which any competing offer for the entire issued and to be issued share capital of RSA is declared wholly unconditional or, if proceeding by way of scheme of arrangement, becomes effective.

**2. Other RSA Shareholders**

The following RSA Shareholder has given an irrevocable undertaking to vote, or procure votes, in favour of the resolutions relating to the Acquisition at the RSA Meetings in respect of their own beneficial holdings of RSA Shares:

<b>Name</b>	<b>Total Number of RSA Shares</b>	<b>Percentage of existing issued share capital</b>
Cevian Capital II Master Fund L.P.	154,160,715	14.9

The irrevocable undertaking referred to in paragraph 2 above ceases to be binding on the earlier of the following occurrences: (i) Bidco announces, with the consent of the Panel, and before the Scheme Document is published, that it does not intend to proceed with the Acquisition and no new, revised or replacement scheme is announced by Bidco; (ii) the Scheme lapses or is withdrawn in accordance with its terms and Bidco publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Takeover Offer or otherwise; (iii) the Acquisition has not completed by 11.59 p.m. on the Long Stop Date.

## **APPENDIX 4 DEFINITIONS**

The following definitions apply throughout this document unless the context otherwise requires:

<b>"2019 RSA Annual Report"</b>	the annual report and audited accounts of the RSA Group for the year ended 31 December 2019
<b>"Acquisition"</b>	the proposed acquisition by Bidco of the entire issued and to be issued share capital of RSA by means of the Scheme, or should Bidco so elect (with the consent of the Panel and on the terms of the Co-operation Agreement), by means of a Takeover Offer
<b>"Acquisition Completion Holding Structure"</b>	has the meaning given to it in paragraph 3
<b>"associated undertaking"</b>	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) (but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations)
<b>"Authorisations"</b>	regulatory authorisations, orders, grants, recognitions, confirmations, consents, licences, clearances, certificates, permissions or approvals, in each case of a Third Party
<b>"Barclays"</b>	Barclays Bank PLC, acting through its Investment Bank
<b>"Bidco"</b>	Regent Bidco Limited a private limited company incorporated in England and Wales, whose registered office is at 1 Bartholomew Lane, London, United Kingdom EC2N 2AX and with registered number 12998759, and a wholly-owned indirect subsidiary of Intact
<b>"Bought Deal Private Placement"</b>	has the meaning given to it in paragraph 12
<b>"Business Day"</b>	a day, not being a public holiday, Saturday or Sunday, on which clearing banks in London are open for normal business
<b>"CAN\$"</b>	Canadian dollars

<b>"Canada Holdco"</b>	2283485 Alberta Ltd, a private limited company incorporated and registered in Alberta, Canada, whose registered office is at 1200, 321 – 6 <sup>th</sup> Avenue S.W. Calgary, Alberta T2P 3H3 and with corporate access number 2022834853, and a wholly-owned indirect subsidiary of Intact
<b>"CIBC"</b>	Canadian Imperial Bank of Commerce
<b>"CIBC Capital Markets"</b>	CIBC World Markets Inc
<b>"Closing Price"</b>	the closing middle market price of a RSA Share as derived from the Daily Official List on any particular date
<b>"CMA"</b>	the Competition and Markets Authority
<b>"Codan Holdings"</b>	Codan A/S
<b>"Collaboration Agreement"</b>	has the meaning given to it in paragraph 3
<b>"Companies Act"</b>	the Companies Act 2006, as amended from time to time
<b>"Completion"</b>	in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the time at which the Scheme becomes effective in accordance with its terms; or (ii) if the Acquisition is implemented by way of a Takeover Offer, the time at which the Takeover Offer is declared or becomes unconditional in all respects in accordance with the requirements of the Takeover Code
<b>"Conditions"</b>	the conditions to the Acquisition which are set out in Appendix 1 to this announcement and to be set out in the Scheme Document
<b>"Co-operation Agreement"</b>	has the meaning given to it in paragraph 16
<b>"Cornerstone Investors"</b>	has the meaning given to it in paragraph 12
<b>"Cornerstone Private Placement"</b>	has the meaning given to it in paragraph 12
<b>"Cornerstone Subscription Agreements"</b>	has the meaning given to it in paragraph 12
<b>"Council Regulation"</b>	Council Regulation (EC) 139/2004/EC
<b>"Court"</b>	the High Court of Justice in England and Wales

<b>"Court Meeting"</b>	the meeting of RSA Shareholders (or any class thereof) to be convened at the direction of the Court pursuant to Part 26 of the Companies Act at which a resolution will be proposed to approve the Scheme, including any adjournment thereof
<b>"Court Order"</b>	the order of the Court sanctioning the Scheme under Part 26 of the Companies Act
<b>"CREST"</b>	the relevant system (as defined in the Regulations) in respect of which Euroclear is the operator (as defined in CREST)
<b>"Daily Official List"</b>	the daily official list of the London Stock Exchange
<b>"Danish FSA"</b>	Danish Financial Supervisory Authority
<b>"Danish Merger Control Condition"</b>	Regulatory Clearance from the Danish Competition and Consumer Authority to satisfy Conditions 3(c)(ii) or 3(d)(i) or, to the extent the Transaction has been referred to the European Commission in whole or in part by the Danish Competition and Consumer Authority, Regulatory Clearance from the European Commission to satisfy Condition 3(c)(i)
<b>"Danske Bank"</b>	Danske Bank A/S
<b>"Demerger"</b>	has the meaning given to it in paragraph 3
<b>"DFBA"</b>	the Danish Financial Business Act (Consolidated Act no. 1447 of 11 September 2020)
<b>"Disclosed"</b>	the information disclosed by or on behalf of RSA: (i) in the 2019 RSA Annual Report; (ii) in this announcement (or any of the documents listed in paragraph 20 above); (iii) in any other announcement to a Regulatory Information Service prior to the publication of this announcement; (iv) in filings made with the Registrar of Companies and appearing on RSA's file within the last two years; or (v) as otherwise fairly disclosed in writing (including via the virtual data room operated by or on behalf of RSA in respect of the Acquisition or by granting a right of inspection of a relevant document and whether or not in response to any specific request for information made by any such

	person) prior to the publication of this announcement to Intact, Bidco, Tryg or their respective officers, employees, agents or advisers (in their capacity as such)
<b>"Disclosure Guidance and Transparency Rules"</b>	the disclosure rules and transparency rules made by the FCA pursuant to section 73A of FSMA
<b>"Euroclear"</b>	Euroclear UK & Ireland Limited
<b>"FCA"</b>	Financial Conduct Authority or its successor from time to time
<b>"FCA Handbook"</b>	the FCA's Handbook of rules and guidance as amended from time to time
<b>"FSMA"</b>	the Financial Services and Markets Act 2000 (as amended from time to time)
<b>"Full Internal Model"</b>	the full internal model approved for use by the PRA in accordance with the Solvency II Regulations 2015 in respect of the group headed by Royal & Sun Alliance Insurance Group Plc
<b>"Guarantees"</b>	has the meaning given to it in paragraph 16
<b>"Insurance Holding Company"</b>	has the meaning given to it in Solvency II (where appropriate, as implemented in the DFBA)
<b>"Intact"</b>	Intact Financial Corporation, a company incorporated in Canada, with registered office at 700 University Avenue, Toronto, Canada ON M5G 0A1
<b>"Intact Bridge Facilities"</b>	has the meaning given to it in paragraph 12
<b>"Intact Credit Agreement"</b>	the bridge and term loan credit agreement dated 18 November 2020 between, amongst others, Intact, Barclays Bank PLC and CIBC
<b>"Intact Group"</b>	Intact and its subsidiary undertakings and where the context permits, each of them
<b>"Intact Term Loan Facility"</b>	has the meaning given to it in paragraph 12
<b>"Interim Dividend"</b>	the interim dividend of 8 pence per RSA Share in respect of RSA's six month period ended 30 June 2020, announced on 15 September 2020 and to be paid in December 2020

<b>"Joint Condition"</b>	(i) the Danish Merger Control Condition; and (ii) any Regulatory Condition which members of both the Intact Group and the Tryg Group have, according to applicable law, joint responsibility (or a member of each of the Intact Group and the Tryg Group has, according to applicable law, a separate responsibility) with respect to Tryg, Intact and Bidco for making the relevant filing, notification or submission to the relevant Regulatory Authority, which are currently understood to include Conditions 3(h) and 3(l)
<b>"Joint Lead Arrangers"</b>	has the meaning given to it in paragraph 12
<b>"Lead Underwriters"</b>	has the meaning given to it in paragraph 12
<b>"Listing Rules"</b>	the listing rules, made by the FCA under Part 6 FSMA, as amended from time to time
<b>"London Stock Exchange"</b>	the London Stock Exchange plc or its successor
<b>"Long Stop Date"</b>	18 November 2021 (or such later date as may be agreed between Bidco, Tryg and RSA, and if required, as the Panel and the Court may allow)
<b>"Market Abuse Regulation"</b>	Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) as amended
<b>"Memoranda of Understanding"</b>	has the meaning given to it in paragraph 16
<b>"Mixed Holding Company"</b>	"Mixed Financial Holding Company" within the meaning that is given to that term in Solvency II (where appropriate, as implemented in the DFBA)
<b>"Morgan Stanley"</b>	Morgan Stanley & Co. International plc
<b>"Nasdaq Copenhagen"</b>	Nasdaq Copenhagen A/S
<b>"Nasdaq Nordic Main Market Rulebook for Issuers of Shares"</b>	Nasdaq Nordic Main Market Rulebook for Issuers of Shares effective 1 May 2020, as amended from time to time
<b>"offer period"</b>	the offer period (as defined in the Takeover Code) relating to RSA, which commenced on 5 November 2020
<b>"Official List"</b>	the Official List of the FCA

<b>"Overseas Shareholders"</b>	holders of RSA Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
<b>"Panel"</b>	the UK Panel on Takeovers and Mergers
<b>"Payment Direction Agreements"</b>	has the meaning given to it in paragraph 16
<b>"Phase 2 CMA Reference"</b>	a reference of the Acquisition to the chair of the CMA for the constitution of a group under Schedule 4 to the Enterprise and Regulatory Reform Act 2013
<b>"PRA"</b>	Prudential Regulation Authority or its successor from time to time
<b>"Q3 2020 Trading Update"</b>	RSA's trading update for Q3 2020 published on 5 November 2020
<b>"Registrar of Companies"</b>	the Registrar of Companies in England and Wales
<b>"Regulations"</b>	the Uncertificated Securities Regulations 2001
<b>"Regulatory Authority"</b>	any central bank, ministry, governmental, quasi-governmental, supranational, statutory, regulatory or investigative body or agency or authority, exercising anti-trust or competition or merger control, foreign investment review, regulatory (including without limitation financial regulatory), taxing, importing or other authority, in any relevant jurisdiction, including, for the avoidance of doubt, the Panel and the PRA
<b>"Regulatory Clearance"</b>	all approvals, consents, clearances, permissions, confirmations, letters of non-objection, comfort letters and waivers, rule modifications or variations of permissions that may need to be obtained, all filings that may need to be made and all waiting periods that may need to have expired, from or under any laws or practices applied by any Regulatory Authority (or under any agreements or arrangements to which any Regulatory Authority is a party), in each case that are necessary and/or expedient to satisfy one or more of the Regulatory Conditions

<b>"Regulatory Conditions"</b>	(i) Conditions 3(a) to 3(r); and (ii) Conditions 3(w) and 3(x) to the extent the relevant Third Party is a Regulatory Authority
<b>"Regulatory Information Service"</b>	a regulatory information service as defined in the FCA Handbook
<b>"relevant securities"</b>	as the context requires, RSA Shares, other RSA share capital and any securities convertible into or exchangeable for, and rights to subscribe for, any of the foregoing
<b>"Re-registration Condition"</b>	Condition 3(v)
<b>"Re-registration Resolution"</b>	a special resolution of RSA approving the re-registration of RSA as a private limited company pursuant to section 97 of the Companies Act
<b>"Restricted Jurisdiction"</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Acquisition is sent or made available to RSA Shareholders in that jurisdiction or would result in a requirement to comply with any governmental or other consent or any registration, filing or other formality which Intact regards as unduly onerous
<b>"RIGPS"</b>	has the meaning given to it in paragraph 11
<b>"RIIH"</b>	Royal International Insurance Holdings Limited
<b>"RSA"</b>	RSA Insurance Group plc
<b>"RSAI"</b>	Royal & Sun Alliance Insurance plc
<b>"RSA ADR Holders"</b>	holders of RSA ADRs
<b>"RSA ADRs"</b>	sponsored level 1 American Depositary Receipts of RSA with ISIN US74971A2069
<b>"RSA's ADR programme"</b>	the RSA ADRs, sponsored and administered by JPMorgan Chase Bank, NA, further details of which will be contained in the Scheme Document
<b>"RSA Confidentiality Agreement"</b>	the confidentiality agreement entered into between Intact, Tryg and RSA dated 9 October 2020

<b>"RSA's Danish Business"</b>	the business of RSA conducted in Denmark
<b>"RSA Directors"</b>	the directors of RSA
<b>"RSA General Meeting"</b>	the general meeting of RSA Shareholders to be convened to consider and, if thought fit, pass, inter alia, the resolutions in relation to the implementation of the Acquisition, certain amendments to be made to the articles of association of RSA and the Transaction, including any adjournments thereof
<b>"RSA Group"</b>	RSA and its subsidiary undertakings and where the context permits, each of them
<b>"RSA Meetings"</b>	the Court Meeting and the RSA General Meeting
<b>"RSA Preference Shares"</b>	cumulative irredeemable preference shares of 100 pence each in the capital of RSA
<b>"RSA RT1 Notes"</b>	the two tranches (SEK and DKK) of floating rate restricted tier 1 notes issued by RSA
<b>"RSA's Scandinavian Business"</b>	the businesses of RSA conducted in Denmark, Norway and Sweden
<b>"RSA Shareholders"</b>	holders of RSA Shares
<b>"RSA Share Plans"</b>	2014 RSA Performance Share Plan and the RSA Sharesave Plans
<b>"RSA Shares"</b>	the existing unconditionally allotted or issued and fully paid ordinary shares of 100 pence each in the capital of RSA and any further shares which are unconditionally allotted or issued before the Scheme becomes effective but excluding in both cases any such shares held or which become held in treasury
<b>"RSA's Swedish and Norwegian Businesses"</b>	the business of RSA conducted in Sweden and Norway
<b>"RSAPS 2002"</b>	has the meaning given to it in paragraph 11
<b>"SALPS"</b>	has the meaning given to it in paragraph 11
<b>"Sanction Hearing"</b>	the Court hearing to sanction the Scheme
<b>"Scandi JVco"</b>	Scandi JV Co A/S, a private limited company incorporated in Denmark with CVR no.41 85 33

	01, and whose registered office is at Klausdalsbrovej 601, 2750 Ballerup, Denmark
<b>"Scandi JVco2"</b>	Scandi JV Co 2 A/S, a private limited company incorporated in Denmark with CVR no.41 85 32 71, and whose registered office is at Klausdalsbrovej 601, 2750 Ballerup, Denmark
<b>"Scandinavia Carve-Out"</b>	has the meaning given to it in paragraph 3
<b>"Scandinavia Separation"</b>	the Scandinavia Carve-Out and the Demerger
<b>"Scheme"</b>	the proposed scheme of arrangement under Part 26 of the Companies Act between RSA and the holders of the Scheme Shares, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by RSA and Bidco
<b>"Scheme Document"</b>	the document to be sent to RSA Shareholders and persons with information rights containing, amongst other things, the Scheme and notices of the RSA Meetings and proxy forms in respect of the RSA Meetings
<b>"Scheme Record Time"</b>	the time and date to be specified in the Scheme Document, expected to be 6.00 p.m. on the Business Day immediately prior to the Sanction Hearing
<b>"Scheme Shareholders"</b>	holders of Scheme Shares
<b>"Scheme Shares"</b>	all RSA Shares (i) in issue at the date of the Scheme Document and (where the context requires) which remain in issue at the Scheme Record Time; (ii) (if any) issued after the date of the Scheme Document but before the Voting Record Time and (where the context requires) which remain in issue at the Scheme Record Time; and (iii) (if any) issued at or after the Voting Record Time and before the Scheme Record Time on terms that the holder or any subsequent holders thereof shall be bound by the Scheme, or in respect of which the original or any subsequent holders thereof shall have agreed in writing to be bound by the Scheme, in each case (where the context requires) which remain in issue at the Scheme Record Time
<b>"Separation Agreement"</b>	has the meaning given to it in paragraph 3

<b>"SIBA "</b>	Swedish Insurance Business Act
<b>"Solvency II"</b>	Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance, as amended and restated including without limitation by Directive 2014/51/EU (Omnibus II)
<b>"Solvency II Ratio"</b>	total eligible capital as a proportion of the Solvency Capital Requirement (SCR) under Solvency II
<b>"Solvency II Regulations"</b>	the Solvency 2 Regulations 2015 (S.I. 2015/575) (as amended from time to time)
<b>"Subscription Deeds"</b>	has the meaning given to it in paragraph 16
<b>"subsidiary", "subsidiary undertaking" and "undertaking"</b>	shall be construed in accordance with the Companies Act
<b>"Swedish FSA"</b>	Swedish Financial Supervisory Authority ( <i>Finansinspektionen</i> )
<b>"Takeover Code"</b>	the City Code on Takeovers and Mergers issued by the Panel, as amended from time to time
<b>"Takeover Offer"</b>	subject to the consent of the Panel and the terms of the Co-operation Agreement pursuant to which Bidco has undertaken not to effect the Acquisition by way of a Takeover Offer without RSA's prior written consent, should the Acquisition be implemented by way of a takeover offer as defined in Chapter 3 of Part 28 of the Companies Act, the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued share capital of RSA and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
<b>"Transaction"</b>	together, the Acquisition and the Scandinavia Separation
<b>"Tryg"</b>	Tryg A/S
<b>"Tryg Condition"</b>	(i) the Tryg Rights Issue Conditions; and (ii) the Regulatory Conditions (excluding the Danish Merger Control Condition) to the extent that a member of the Tryg Group has, according to applicable law, sole responsibility with respect

	to Tryg, Intact and Bidco for making the relevant filing, notification or submission to the relevant Regulatory Authority, which are currently understood to include Conditions 3(d)(ii) and 3(d)(iii)
<b>"TrygFonden"</b>	a registered secondary business name used by TryghedsGruppen when it acts in its capacity as contributor to charity projects
<b>"Tryg General Meeting"</b>	the general meeting of Tryg Shareholders to be convened to consider and, if thought fit, pass, inter alia, the resolutions in relation to the approval of the Tryg Rights Issue, and certain amendments to be made to the articles of association of Tryg, including any adjournments thereof
<b>"Tryg Group"</b>	Tryg and its subsidiary undertakings and where the context permits, each of them
<b>"TryghedsGruppen"</b>	TryghedsGruppen smba
<b>"Tryg Rights Issue"</b>	has the meaning given to it in paragraph 12
<b>"Tryg Rights Issue Conditions"</b>	Conditions 3(s) and 3(t)
<b>"Tryg Shareholders"</b>	the registered holders of shares in the capital of Tryg from time to time
<b>"Tryg SPA "</b>	has the meaning given to it in paragraph 7
<b>"UK" or "United Kingdom"</b>	United Kingdom of Great Britain and Northern Ireland
<b>"UK Pension Schemes"</b>	has the meaning given to it in paragraph 11
<b>"UK Pension Trustees"</b>	has the meaning given to it in paragraph 11
<b>"UK&amp;I"</b>	has the meaning given to it in paragraph 4
<b>"US Exchange Act"</b>	the US Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder
<b>"Voting Record Time"</b>	the time and date to be specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined

**"Wider Intact Group"**

Intact Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Intact and such undertakings (aggregating their interests) have an interest of more than 20% of the voting or equity capital or the equivalent

**"Wider RSA Group"**

RSA and associated undertakings and any other body corporate, partnership, joint venture or person in which RSA and such undertakings (aggregating their interests) have an interest of more than 20% of the voting or equity capital or the equivalent

**"Wider Tryg Group"**

Tryg Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Tryg and such undertakings (aggregating their interests) have an interest of more than 20% of the voting or equity capital or the equivalent

All times referred to are London time unless otherwise stated.

**SCHEDULE 3  
SCHEME RIDER**

**1. Scheme**

**Additional Scheme paras relating to the Scandinavia Carve-Out:**

- 1.1 RSA shall procure that, at the Effective Time, RIIH delivers a duly executed subscription list (in Danish "*tegningsliste*") agreeing to subscribe for Consideration Shares, the consideration for which shall be the transfer of all of the shares in the capital of Codan Holdings to Scandi JVco;
- 1.2 RSA shall procure that, at the Effective Time, subject to applicable law:
- (a) subject to and conditionally upon:
- (i) Intact and Tryg procuring that, at the Effective Time, Scandi JVco shall validly issue the Consideration Shares to RIIH; and
- (ii) the valid issue by Scandi JVco of the Consideration Shares to RIIH; and
- (b) in consideration of that issue by Scandi JVco of the Consideration Shares to RIIH, RIIH transfers all of the shares in the capital of Codan Holdings to Scandi JVco.
- 1.3 Subject to paragraph [1.4] below, RSA shall procure that, immediately following the steps described in paragraph [1.2] above, subject to applicable law:
- (a) subject to and conditionally upon:
- (i) Intact procuring that, at the Effective Time, Canada Holdco shall issue the Canada Holdco Loan Note to RIIH; and
- (ii) the issue by Canada Holdco of the Canada Holdco Loan Note to RIIH; and
- (b) in consideration of that issue by Canada Holdco of the Canada Holdco Loan Note to RIIH, RIIH transfers the Consideration Shares to Canada Holdco.
- 1.4 RSA's obligations in paragraph [1.3] above shall be subject, to the extent necessary to ensure a valid transfer of the Consideration Shares pursuant to that paragraph, to the approval of the board of directors of Scandi JVco.

**Recital in addition to Bidco undertaking recital:**

Tryg, Intact and Canada Holdco have each agreed, in each case subject to the terms of the Co-Operation Agreement, to appear by Counsel at the Sanction Hearing and to undertake to the Court to be bound by the terms of this Scheme and to execute and do, or procure to be executed and done, all such documents, acts and things as may be necessary or desirable to be executed or done by each of them for the purposes of giving effect to paragraphs [1.1] to [1.4] inclusive of this Scheme.

**New definitions** (other capitalised terms to be defined as per the Announcement):

"**Canada Holdco Loan Note**" means a loan note in a principal amount to be determined based on the amount payable under the Tryg SPA to be issued by Canada Holdco to RIIH, with Canada Holdco's obligations being guaranteed in full by Intact;

"**Consideration Shares**" means 3,460,000,000 ordinary shares in the capital of Scandi JVco;

"**Effective Time**" means the time at which the Scheme becomes effective in accordance with its terms;

"**Tryg Consideration Shares**" means a number of ordinary shares in the capital of Scandi JVco to be determined in accordance with the Tryg SPA;

## **2. Explanatory Statement**

*To be added under "Structure of the Transaction".*

### **([a]) The Scandinavia Separation**

In connection with the Scandinavia Separation, Intact, Bidco and Tryg (amongst others) have entered into a separation agreement (the "**Separation Agreement**"), pursuant to which, conditional upon (amongst other things) the Acquisition becoming Effective and receipt of regulatory clearances, Intact and Tryg have agreed that RSA's Swedish and Norwegian Businesses shall be transferred to Tryg, with Intact and Tryg jointly controlling RSA's Danish Business.

Bidco, Tryg and RSA have agreed that it will be a term of the Scheme that, subject to applicable law, RSA's Scandinavian Business will be separated from the RSA Group (the "**Scandinavia Carve-Out**") at the Effective Date. The Scandinavia Carve-Out will be effected through the contribution of Codan Holdings by RIIH to Scandi JVco (a Danish company owned jointly by Intact and Tryg) in consideration for the issue of shares in Scandi JVco, and the subsequent transfer of those shares in Scandi JVco to members of the Intact and Tryg groups. Following the Scandinavia Carve-Out, it is intended that an intragroup reorganisation will take place, resulting in a structure in which Scandi JVco holds Codan Holdings, and in turn Scandi JVco is held c.89% by Tryg (c.78% directly and c.11% indirectly through an entity jointly controlled by Intact and Tryg) and c.11% indirectly by Intact through that jointly held entity (the "**Acquisition Completion Holding Structure**"). In order to provide certainty that the Scandinavia Carve-Out will take place upon Completion and that the intragroup reorganisation can be implemented to achieve the Acquisition Completion Holding Structure, the Scheme contains undertakings from Intact, Canada Holdco, Tryg and RSA to carry out the steps necessary to effect the Scandinavia Carve-Out and implement certain other steps as part of the intragroup reorganisation necessary to achieve the Acquisition Completion Holding Structure.

It is a condition to the Scheme that, prior to implementing these steps on Completion, RSA has re-registered as a private limited company under the Companies Act 2006. Such re-registration will take place only after the Court has sanctioned the Scheme and issued the Court Order.

**IN WITNESS WHEREOF** the parties have executed this Agreement on the date first set out above:

Signed by a duly authorised  
representative for and on behalf of  
**INTACT FINANCIAL CORPORATION**

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A large black rectangular redaction box covers the signature area, obscuring the name and any handwritten notes.

**Signature**

Signed by duly authorised  
representatives for and on behalf of  
**REGENT BIDCO LIMITED**

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**Signature**

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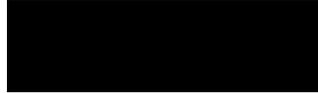
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Signed by duly authorised  
representatives for and on behalf of  
**REGENT BIDCO LIMITED**

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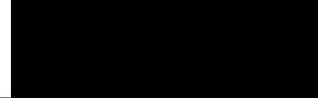
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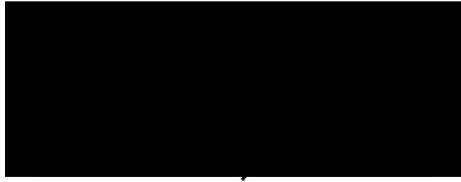


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**Signature**

Signed by duly authorised  
representatives for and on behalf of  
**TRYG A/S**

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EXECUTED BY

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acting for and on behalf of  
RSA Insurance Group plc

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