



RNS Offer Update

Update re Recommended Cash Offer for RSA Insurance

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18 January 2021

Intact Financial Corporation

Recommended Cash Offer for RSA Insurance Group plc

Results of RSA Court Meeting and RSA General Meeting and receipt of approval from the Canadian Competition Bureau

Further to the announcement of the recommended cash offer for RSA Insurance Group plc ("**RSA**") (the "**Acquisition**") on 18 November 2020, Intact Financial Corporation ("**Intact**") is pleased to report that, at the RSA Court Meeting and the RSA General Meeting, each held earlier today in connection with the offer for RSA by Regent Bidco Limited ("**Bidco**"), a wholly-owned subsidiary of Intact (the "**Acquisition**") to be effected by means of a Court-sanctioned scheme of arrangement under Part 26 of the Companies Act 2006 (the "**Scheme**"):

- (A) the requisite majority of Scheme Shareholders voted to approve the Scheme; and
- (B) the requisite majority of RSA Shareholders voted to pass resolutions to implement the Scheme.

Details of the resolutions passed are set out in the scheme document published on 16 December 2020 in relation to the Acquisition (the "**Scheme Document**").

In addition, Intact has received unconditional approval for the Acquisition from the Canadian Competition Bureau, which issued a no-action letter on 12 January 2021.

The Completion of the Acquisition is expected to occur in the second quarter of 2021 subject to receipt of approval from the relevant regulatory and antitrust authorities and the satisfaction or (where capable of waiver) waiver of other Conditions.

Capitalised terms not defined herein have the same meanings given to them in the Scheme Document.

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Further Information

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 over CAD \$11 billion in total annual premiums. Intact has approximately 16,000 employees who serve more than five million personal, business and public sector clients through offices in Canada and the U.S. 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 belairdirect. Frank Cowan adds scale to Intact's MGA platform to manufacture and distribute public entity insurance products in Canada. In the U.S., Intact Insurance Group USA (previously known as OneBeacon Insurance Group), a wholly-owned subsidiary, provides specialty insurance products through independent agencies, brokers, wholesalers and managing general agencies.

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 Financial Conduct Authority and the Prudential Regulation Authority, is acting exclusively for Intact and no one else in connection with the matters referred to in this announcement and will not be responsible to anyone other than Intact for providing advice in relation to the Offer or any other matters referred to in this announcement.

In accordance with the Code, normal United Kingdom market practice and Rule 14e-5(b) of the Exchange Act, Barclays 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 Code will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website at 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.

This announcement has been prepared in accordance with English law and the Code, and information disclosed may not be the same as that which would have been prepared in accordance with laws outside of the United Kingdom. The release, distribution or publication of this announcement in jurisdictions outside of the United Kingdom may be restricted by laws of the relevant jurisdictions, and therefore persons into whose possession this announcement comes should inform themselves about, and observe, any such restrictions. Any failure to comply with the restrictions may constitute a violation of the securities law of any such jurisdiction.

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 is being made solely pursuant to the terms of the Scheme Document, which (together with the Forms of Proxy) contains the full terms and conditions of the Acquisition.

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. This announcement shall not constitute an offer to sell or the solicitation of an offer to buy such securities in the United States or in any other jurisdiction where such offer is unlawful.

Cautionary note about forward-looking statements

This news release includes "forward looking statements". The forward-looking statements contained in this announcement include statements relating to Intact's intention in relation to the Acquisition, the Consortium and RSA, pro-forma entities following completion of the Acquisition and expected benefits including financial accretion, and other statements other than historical facts. Forward looking statements often use words such as "believe", "expect", "estimate", "intend", "anticipate" and words of a similar meaning. You should not place undue reliance on these forward-looking statements, which reflect the current views of Intact, are subject to risks and uncertainties about Intact and are dependent on many factors, some of which are outside of Intact's control. There are important factors, risks and uncertainties that could cause actual outcomes and results to be materially different. Except as required by law, Intact undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Non-IFRS financial measures

Intact uses both IFRS and non-IFRS financial measures to assess its performance. Non-IFRS financial measures do not have standardized meanings prescribed by IFRS and may not be comparable to similar measures used by other companies in Intact's industry. The non-IFRS measures included in this announcement are: direct premiums written (DPW), net operating income per share (NOIPS) and internal rate of return (IRR). Non-IFRS financial measures and other insurance-related terms are defined in the glossary available in the "Investors" section of Intact's web site at www.intactfc.com

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.

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