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**THIS ANNOUNCEMENT IS NOT AN ANNOUNCEMENT OF A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CITY CODE ON TAKEOVERS AND MERGERS (THE "CODE") AND THERE CAN BE NO CERTAINTY THAT AN OFFER WILL BE MADE.**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.**

**FOR IMMEDIATE RELEASE**

5 November 2020

## **RSA INSURANCE GROUP PLC**

### **STATEMENT REGARDING PROPOSAL**

The Board of RSA Insurance Group plc ("RSA" or "the Company") notes the recent media speculation regarding the possibility of an offer for the entire issued share capital of the Company and confirms that on 2 October 2020 it received a proposal from Intact Financial Corporation ("Intact") and Tryg A/S ("Tryg") (together, the "Consortium") regarding a possible offer for the Company ("the Proposal"). This may or may not lead to an offer being made for RSA.

The Proposal comprises 685 pence in cash per RSA share, plus payment by RSA of the announced interim dividend of 8 pence per share (the "Interim Dividend").

The Proposal is made on the basis that Intact would retain RSA's Canada and UK & International operations, while Tryg would retain RSA's Sweden and Norway operations, and Intact and Tryg would co-own RSA's Denmark business.

The Proposal is subject to the satisfaction or waiver of pre-conditions relating to, amongst other things, due diligence, the recommendation of the Board of RSA, the support of RSA's pension fund trustees and Board approvals from Intact, Tryg and the Tryg Foundation.

The Board of RSA has indicated to the Consortium that it would be minded to recommend the Proposal, subject to satisfactory resolution of the other terms of the possible offer, including a period of due diligence. Accordingly, RSA is engaged in discussions with the Consortium in relation to the possible offer.

There can be no certainty that an offer will be made. This announcement is being made with the consent of the Consortium.

A further announcement will be made in due course.

In accordance with Rule 2.6(a) of the Code, the Consortium is required, by not later than 5.00 p.m. on 3 December 2020, to either announce a firm intention to make an offer for the Company in accordance with Rule 2.7 of the Code or announce that it does not intend to make an offer, in which case the announcement will be treated as a statement to which Rule 2.8 of the Code applies. This deadline can be extended with the consent of the Panel in accordance with Rule 2.6(c) of the Code.

Pursuant to Rule 2.5 of the Code, the Consortium reserves the right to:

- (a) vary the form and/or mix of the consideration described in this announcement:
  - (i) with the consent of the Board of RSA;
  - (ii) if a third party announces a firm intention to make an offer for RSA; or
  - (iii) if RSA announces a whitewash transaction pursuant to the Code; and
- (b) announce an offer on less favourable terms than the Proposal:

- (i) with the consent of the Board of RSA;
- (ii) if a third party announces a firm intention to make an offer for RSA at a lower value than the Proposal;
- (iii) if RSA announces, declares or pays a dividend or any other distribution or return of capital to its shareholders (other than the Interim Dividend) after this announcement (in which case the Consortium reserves the right to reduce the offer price by an amount up to the amount of such dividend, distribution or return of capital); or
- (iv) if RSA announces a whitewash transaction pursuant to the Code.

The person responsible for arranging for the release of this announcement on behalf of the Company is Charlotte Heiss, General Counsel and Company Secretary.

**Enquiries:**

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**Publication on a website**

*In accordance with Rule 26.1 of the Code, a copy of this announcement will be available at [www.rsagroup.com](http://www.rsagroup.com). The content of the website referred to in this announcement is not incorporated into and does not form part of this announcement.*

**Rule 2.9**

*In accordance with Rule 2.9 of the Code, the Company confirms that as at the date of this announcement, it has in issue 1,034,650,240 Ordinary Shares with a nominal value of £1 each and 125,000,000 Preference Shares with a nominal value of £1 each. The International Securities Identification Number (ISIN) of the Ordinary Shares is GB00BKKMKR23 and of the Preference Shares is GB0008631391.*

**Disclosure requirements of the Code**

*Under Rule 8.3(a) of the 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 (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) 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 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 (London time) 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.

### **Other information**

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### **Important notice**

Robey Warshaw LLP, which is authorised and regulated in the United Kingdom by the Financial Conduct Authority, 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 Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority 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.

Merrill Lynch International ("BofA Securities"), a subsidiary of Bank of America Corporation, which is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority in the United Kingdom, is acting exclusively for RSA in connection with the matters set out in this announcement and for no one else and will not be responsible to anyone other than RSA for providing the protections afforded to its clients or for providing advice in relation to the subject matter of this announcement or any other matters referred to in this announcement.

