



RNS Offer Update

Update re Recommended Cash Offer for RSA Insurance

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FOR IMMEDIATE RELEASE

16 December 2020

Intact Financial Corporation

Recommended Cash Offer for RSA Insurance Group plc

Intact Financial Corporation Completes \$600 million Medium Term Note Private Placements

Further to the announcement of the recommended cash offer for RSA Insurance Group plc (the "**Acquisition**") on 18 November 2020 (the "**Announcement**"), Intact Financial Corporation ("**Intact**") announced today that it has completed its previously announced private placements of CAN\$300 million principal amount of Series 9 unsecured medium term notes (the "**Series 9 Notes**") and CAN\$300 million principal amount of Series 10 unsecured medium term notes (the "**Series 10 Notes**") (collectively, the "**Notes**").

The Notes were offered on a best efforts basis through a syndicate co-led by CIBC World Markets Inc., TD Securities Inc. and National Bank Financial Inc. The Notes are direct unsecured obligations of Intact and rank equally with all other unsecured and unsubordinated indebtedness of Intact. The Series 9 Notes bear interest at a fixed annual rate of 1.928% until maturity on 16 December 2030. The Series 10 Notes bear interest at a fixed annual rate of 2.954% until maturity on 16 December 2050. The Notes were offered by way of private placements to accredited investors in Canada (the "**MTN Private Placements**").

The net proceeds from the MTN Private Placements will be used by Intact to fund a portion of the Cash Consideration for the Acquisition, and in connection therewith to replace £350 million of the Intact Bridge Facilities.

The Series 9 Notes and the Series 10 Notes have each been given a rating of A with a Stable trend by DBRS Limited, a rating of Baa1 with a Stable outlook by Moody's Investors Service, Inc. and a rating of A- by Fitch Ratings Inc.

If (i) Completion of the Acquisition has not occurred prior to 11:59 p.m. (London time) on 31 December 2021, or (ii) the Acquisition (implemented by a Scheme or Takeover Offer) lapses, terminates or is withdrawn in certain circumstances, then Intact will be required to redeem the Notes at a redemption price equal to 100% of the aggregate principal amount of the Notes, plus accrued and unpaid interest, if any, up to, but excluding, the date of redemption.

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

The securities have not been and will not be registered under the U.S. Securities Act of 1933, as amended ("**U.S. Securities Act**"), and may not be offered or sold in the United States or to or for the account or benefit of U.S. persons absent registration or an applicable exemption from the registration requirements of the U.S. Securities Act. This press release 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.

A copy of this announcement and the base trust indenture dated 21 May 2009, the ninth supplemental trust indenture and the tenth supplemental trust indenture each dated 16 December 2020 in respect of the Notes, will be uploaded to Intact's website at www.intactfc.com by 12 noon (UK time) on the business day following the date of this announcement.

Capitalised terms not defined here in have the same meanings given to them in the Announcement.

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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 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 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).

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 Transaction, the Consortium and RSA, pro-forma entities following completion of the Transaction 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.

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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