

RECOMMENDED TENDER OFFER TO THE SHAREHOLDERS OF

Codan A/S

(CVR No. 56771212)

Submitted by
RSA Overseas Holdings B.V.
(Registration No 33291495)

24 May 2007



Table of contents

1	INTRODUCTION.....	6
2	REASONS FOR THE TENDER OFFER	10
3	TERMS AND CONDITIONS OF THE TENDER OFFER.....	12
4	DESCRIPTION OF CODAN	18
5	CODAN SHAREHOLDER INFORMATION.....	21
6	THE ROYAL & SUN ALLIANCE GROUP	23
7	DEFINITIONS.....	25
8	ACCEPTANCE FORM.....	27

IMPORTANT NOTICE

Background

This Offer Document and the acceptance form contain important information, which should be read carefully before making any decision with respect to accepting the Tender Offer.

No person has been authorised to disclose information on behalf of the Offeror, ABN AMRO, or any other party other than as contained in this Offer Document. If information, other than disclosed in this Offer Document, is given or made, such information cannot be relied upon as having been authorised.

Choice of Law

In accordance with a decision reached by the FSA on 14 May 2007 the Tender Offer contained in this Offer Document is not subject to the takeover provisions of the Danish Securities Trading Act (Consolidated Act No. 479 of 1 June 2006, as subsequently amended) and the Executive Order on Tender Offers (the Executive Order No. 416 of 8 May 2006 on Tender Offers and Shareholder Disclosure Requirements) as the Tender Offer in the opinion of the FSA is not made with a view to acquiring a controlling shareholding in Codan and therefore the FSA does not believe it has the authority to review and verify that the Offer Document complies with the provision of the Executive Order on Tender Offers. Irrespective of the fact that in accordance with the decision of the FSA the Tender Offer is not subject to the Danish Securities Trading Act and the Executive Order on Tender Offers, the Offeror has chosen to prepare the Offer Document in accordance with the guidelines in these sets of rules, however, the Offer Document has not been reviewed by the Danish Financial Supervisory Authority. Furthermore, the Offeror has decided to abide by these rules as if they had applied to the Tender Offer and any reference in this Offer Document to “applicable rules” shall be construed accordingly. The Tender Offer as well as acceptance thereof shall be subject to Danish law.

This Tender Offer is not being made to shareholders whose participation in the Tender Offer requires an offer document, registrations or measures other than those required by Danish law. This Tender Offer is not being made directly or indirectly in Canada, Australia or Japan or any other jurisdictions in which the making of this Tender Offer or the acceptance thereof would be contrary to the laws of the relevant jurisdiction, and this Offer Document may not be distributed to Codan shareholders resident in such jurisdictions. Persons into whose possession this document may come are required to obtain all necessary information about any restrictions and to observe such restrictions.

United States shareholders

The Tender Offer is for the securities of a corporation organised under the laws of Denmark and is governed by Danish law and is subject to the jurisdiction of the Danish courts. The procedural and disclosure requirements of Denmark are different from those of the United States in certain material respects. The timing of payments, withdrawal

rights, settlement procedures and other timing and procedural matters of the Tender Offer are consistent with Danish practice, which differs from US domestic tender offer procedures. In accordance with US federal securities laws, the Tender Offer will remain open for at least 20 US Business Days from the date of this Offer Document.

The financial information relating to Codan included in this Offer Document has not been prepared in accordance with US GAAP and thus may not be comparable to financial information of US companies or companies whose financial statements are prepared in accordance with US GAAP.

Whilst the Tender Offer is being made available to Codan shareholders in the United States, the right to tender Codan Shares is not being made available in any jurisdiction in the United States in which the making of such Tender Offer or the right to tender such Codan Shares would not be in compliance with the laws of such jurisdiction.

The receipt of cash pursuant to the Tender Offer by a Codan shareholder who is a US person will be a taxable transaction for US federal income tax purposes and under applicable US state and local laws. Each such Codan shareholder should consult an appropriate independent professional adviser immediately.

It may be difficult for Codan shareholders in the United States to enforce their rights and any claim arising out of the US federal securities laws, since Codan and the Offeror are located outside of the United States, and some or all of their officers and directors may be resident outside of the United States. Codan shareholders in the United States may not be able to sue a foreign company or its officers or directors in a foreign court for violations of the US securities laws. Further, it may be difficult to compel a foreign company and its affiliates to subject themselves to a US court's judgment.

Language

This Offer Document has been prepared in Danish and English. In case of inconsistencies between the two versions the Danish text shall prevail.

Changes to the Tender Offer

Any changes to the terms and conditions of the Tender Offer will be announced through the CSE and by means of a press release, if and to the extent required under applicable laws, rules and regulations.

Forward-looking statements

This Offer Document may contain “forward-looking statements” (as defined in the US Private Securities Litigation Reform Act of 1995) with respect to certain of the Offeror’s and/or Codan’s plans and their current goals and expectations relating to its future financial condition, performance and results. By their nature, all forward-looking statements involve risk and uncertainty because they relate to future events and circumstances which are beyond the control of the Offeror and/or Codan, including amongst other things, UK domestic and global economic business conditions, market-related risks such as fluctuations in interest rates and exchange rates, the policies and actions of regulatory authorities, the impact of competition, inflation, deflation, the timing impact and other uncertainties of future acquisitions or combinations within relevant industries, as well as the impact of tax and other legislation and other regulations in the jurisdictions in which the Offeror, Codan and their affiliates operate. As a result, the actual future financial condition, performance and results of the Offeror and/or Codan may differ materially from the plans, goals and expectations set forth in any forward-looking statements. Neither the Offeror and/or Codan undertakes any obligation to update any forward-looking statements, save in respect of any requirement under applicable law or regulation.

Purchases Outside Tender Offer

Codan shareholders should be aware that after the announcement of the Tender Offer, the Offeror or its affiliates, advisors or any broker or other financial institution acting as its agent may, subject to applicable Danish and U.S. securities laws, rules and regulations, from time to time purchase or make arrangements to purchase shares in Codan outside of the Tender Offer, in transactions outside of the United States, from Codan shareholders who are willing to sell outside of the Tender Offer, including purchases in the open market at prevailing prices or in private transactions at negotiated prices. Any such purchase will be made in accordance with applicable rules. Any information about such purchases will be disclosed as required under Danish law and will be available on the CSE website for a short period (www.omxgroup.com). Any information disclosed under Danish law will also be publicly disclosed in the United States through an appropriate news service.

1 INTRODUCTION

Tender Offer

RSA Overseas Holdings B.V. (the “Offeror”), which is a wholly owned indirect subsidiary of Royal & Sun Alliance Insurance Group plc (“R&SA plc”), hereby makes a voluntary conditional public tender offer (the “Tender Offer”), to the shareholders of:

Codan A/S

for the acquisition of all of the share capital (“the Share Capital”, each individual share being a “Codan Share”) and voting rights in Codan for a cash consideration of DKK 605 for each Codan Share of a nominal value of DKK 20 on the terms and conditions specified in this Tender Offer. This Tender Offer has been recommended by the Board of Directors of Codan. In this Offer Document, Codan A/S is referred to as Codan or the “Company”, and Codan including its subsidiaries is collectively referred to as the “Codan Group”.

In accordance with a decision reached by the FSA on 14 May 2007 the Tender Offer contained in this Offer Document is not subject to the takeover provisions of the Danish Securities Trading Act (Consolidated Act No. 479 of 1 June 2006, as subsequently amended) and the Executive Order on Tender Offers (the Executive Order No. 416 of 8 May 2006 on Tender Offers and Shareholder Disclosure Requirements) as the Tender Offer in the opinion of the FSA is not made with a view to acquiring a controlling shareholding in Codan and therefore the FSA does not believe it has the authority to review and verify that the Offer Document complies with the provision of the Executive Order on Tender Offers. Irrespective of the fact that in accordance with the decision of the FSA the Tender Offer is not subject to the Danish Securities Trading Act and the Executive Order on Tender Offers, the Offeror has chosen to prepare the Offer Document in accordance with the guidelines in these sets of rules, however, the Offer Document has not been reviewed by the Danish Financial Supervisory Authority. Furthermore, the Offeror has decided to abide by these rules as if they had applied to the Tender Offer and any reference in this Offer Document to “applicable rules” shall be construed accordingly. The Tender Offer as well as acceptance thereof shall be subject to Danish law.

Offer Period

The offer period commences on 24 May 2007 and expires on 21 June 2007, at 20.00 CET or at the expiration of any extension of the offer period as described in section 3 below (the “Offer Period”). Acceptances of the Tender Offer must be received by ABN AMRO Bank N.V., Copenhagen Branch (“ABN AMRO”) through the tendering Codan shareholders’ own custodian bank or stockbroker prior to the expiry of the Offer Period.

Offer Price

The Codan shareholders are offered DKK 605 in cash (the “Offer Price”) for each Codan Share of a nominal value of DKK 20. If Codan declares and pays dividends or makes any other distributions to its shareholders prior to settlement of the Tender Offer, the Offer Price will be reduced by the aggregate amount of such dividend(s) or other distribution(s) paid in respect of each Codan Share (DKK for DKK).

The Codan Shares are listed on the Copenhagen Stock Exchange (“CSE”). On 23 May 2007, the last Stock Exchange Day before the announcement of the Tender Offer, the closing share price quoted on the CSE was DKK 525 per Codan Share. The Offer Price represents a premium of approximately 15% over the closing share price of the Codan Shares on 23 May. The table below shows the volume weighted average prices (“VWAP”) for Codan Shares on the CSE for certain periods together with the premium represented by the Offer Price.

Period	Codan Share price ⁽²⁾ (DKK)	Offer Premium
23 May 2007 (1)	525	15%
30 days up to and including 23 May 2007 (1)	530	14%
3 months up to and including 23 May 2007 (1)	512	18%
6 months up to and including 23 May 2007 (1)	515	18%
12 months up to and including 23 May 2007 (1)	461	31%

Source: Bloomberg

(1) The last Stock Exchange Day before the publication of the Tender Offer

(2) Volume weighted average price (except for 23 May 2007 where the closing share price is used)

Royal & SunAlliance

The Offeror is the majority shareholder in Codan. The Offeror’s ultimate parent company is R&SA plc which is the ultimate parent company of a group with operations in 27 countries and provides insurance products and services in over 130 countries (together the “R&SA Group”). For the fiscal year ended 31 December 2006, the R&SA Group’s net written premiums were £5.5 billion with an operating result of £780 million. The R&SA Group comprises three regions: United Kingdom, International (including Scandinavia) and Emerging Markets, which accounted for 48%, 43% and 9%, respectively, of the total net written premiums of the R&SA Group, during the year ended December 31, 2006. R&SA plc is listed on the London Stock Exchange (“LSE”), and is part of the FTSE 100 index with a market capitalization of above £5,072 million (approximately DKK 55.6 billion).

Existing Holdings of Codan Shares

As at the date of publication of the Offer Document, the Offeror holds 32,396,430 Codan Shares, corresponding to nominally DKK 647,928,600 which represents 71.66% of the Share Capital. On 13 March 2007, Codan announced that it held 2,212,825 Codan Shares in treasury, corresponding to nominally DKK 44,456,500 which represents 4.89% of the Share Capital (the "Treasury Shares"). The Offeror's holding of Codan Shares represents 75.34% of the Share Capital excluding the Treasury Shares.

At the annual general meeting of Codan held on 11 April 2007, the Codan shareholders resolved to reduce the share capital of Codan by cancelling the Treasury Shares. The completion of the capital reduction is subject to expiry on 26 July 2007 of a statutory notice period.

The Offeror has not (directly or indirectly) bought Codan Shares at a higher price than the Offer Price within the last 12 months or acquired any rights to do so.

Conditions

The Tender Offer is subject to the following conditions:

- ♦ completion of the Tender Offer has not been precluded or materially obstructed by new legislation (actual or proposed), court decisions, or decisions by public authorities;
- ♦ there have been no events, matters or circumstances that have occurred during the period up to completion of the Tender Offer, which may have a material adverse effect on the Codan Group as a whole, its operations and business activities, its financial position and prospects, and/or that Codan does not, during such period, publish information about matters that may have such a material adverse impact on the Codan Group as a whole. For this purpose, any event or circumstance affecting the Offeror or any member of the R&SA Group (other than any member of the Codan Group) will not give rise to a material adverse effect;
- ♦ in the period until completion of this Tender Offer, Codan does not sell or in any other way (except for the cancellation procedures) dispose of the Treasury Shares; and
- ♦ the board of directors of Codan does not withdraw its recommendation of the Tender Offer.

The Offeror reserves the right to waive in whole or in part one or more of the conditions of the Tender Offer.

Other Important Information

The Offeror is submitting the Tender Offer in order to acquire all of the Share Capital of Codan; however, at the time of the making of the Tender Offer the Offeror already possesses a controlling shareholding in Codan. Therefore, the Offeror is not required to

make a mandatory tender offer pursuant to Section 31 of the Danish Securities Trading Act following completion of this Tender Offer.

If, upon settlement of the Tender Offer, the Offeror owns more than 90% of the Share Capital (excluding any treasury shares then held by Codan), the Offeror intends to:

- a) request that an extraordinary general meeting of Codan is convened to elect new members to the board of directors of Codan;
- b) request an authorisation from the shareholders at a general meeting of Codan to apply for a delisting of the Codan Shares from the Copenhagen Stock Exchange; and
- c) initiate a compulsory acquisition procedure with a view to acquire the remaining Codan Shares not owned by the Offeror.

The Offeror will not, directly or indirectly, provide any remuneration to the management or to the Board of Directors of Codan in connection with the Tender Offer and confirms that no agreements have otherwise been entered into that relate to the Tender Offer and are of significance to the assessment of the Tender Offer.

This introduction is subject to the detailed terms and conditions detailed in Section 3 below.

2 REASONS FOR THE TENDER OFFER

The Tender Offer reaffirms that Codan is core to the R&SA Group. In 2006 Codan generated 25% of the R&SA Group's net written premiums and 24% of the underwriting result of the R&SA Group. Codan is a strong business providing the R&SA Group with exposure to the Scandinavian insurance markets. The R&SA Group's portfolio of businesses provides exposure to different insurance markets at different points in the insurance cycle, allowing the allocation of capital to maximise returns. Consequently, Codan is integral to the R&SA Group's objective of delivering sustainable profitable performance.

Whilst the Offeror has no current intention to implement material changes to Codan's organisation or the terms of employment of the employees as a result of the Tender Offer, the Offeror will continue from time to time to review Codan's plans and may consider and seek changes to Codan's existing plans concerning Codan, its operations and organisation.

The Offeror has discussed the Offer Price and the other terms with the Board of Directors of Codan. These discussions resulted in the Offeror having made the Tender Offer at DKK 605 per Codan Share of a nominal value of DKK 20 and such offer price has been recommended by the Board of Directors of Codan (see Codan Board announcement). The Offeror has not entered into any agreement concerning any post-acquisition compensation payable to any members of the Board of Directors of Codan or any member of the Codan management.

As Codan is core to the R&SA Group's business in a geographic area which the R&SA Group believes has strong long-term prospects, the Offeror welcomes any additional shares it can obtain through this Tender Offer. Consequently, this Tender Offer is not subject to a specific acceptance level.

If, upon settlement of the Tender Offer, the Offeror owns more than 90% of the Share Capital (excluding any treasury shares then held by Codan), the Offeror intends to:

- a) request that an extraordinary general meeting of Codan is convened to elect new members to the board of directors of Codan;
- b) request an authorisation from the shareholders at a general meeting of Codan to apply for a delisting of the Codan Shares from the Copenhagen Stock Exchange; and
- c) initiate a compulsory acquisition procedure with a view to acquire the remaining Codan Shares not owned by the Offeror.

If upon settlement of the Tender Offer, the Offeror does not own more than 90% of the Share Capital (excluding any treasury shares then held by Codan), the Offeror will not, for as long as it does not own more than 90% of the Codan Shares, seek to have the Codan Shares de-listed from the CSE. Codan shareholders should be aware that the trading

liquidity of the Codan Shares may be significantly reduced following completion of the Tender Offer.

3 TERMS AND CONDITIONS OF THE TENDER OFFER

Offeror:	RSA Overseas Holdings B.V. (Registration No 33291495) 30 Fenchurch Street 9th Floor London EC3M 3BD United Kingdom
Offer Price	<p>The Codan Shareholders are offered DKK 605 in cash for each Codan Share of a nominal value of DKK 20 (ISIN code DK0010288638).</p> <p>If Codan declares and pays dividends or makes any other distributions to its shareholders prior to settlement of the Tender Offer, the Offer Price will be reduced by the aggregate amount of such dividend(s) or other distribution(s) paid in respect of each Codan Share (DKK for DKK). For the avoidance of doubt the cancellation of the Treasury Shares shall not be deemed to constitute a distribution by Codan.</p> <p>Any brokerage fees and other selling expenses shall be paid by the tendering Codan shareholders.</p>
Compensation to Codan shareholders	The Offeror is not obliged, and does not offer any compensation, to Codan shareholders pursuant to Section 81h(2) of the Danish Companies Act, since Codan's articles of association do not provide for any special rights or limitations that may be suspended in the case of a takeover, see Section 81d of the Danish Companies Act.
Offer Period	The offer period commences on 24 May 2007 and expires on 21 June 2007, at 20.00 CET or at the expiration of any extension of the offer period as described in the section "Other Terms" below (the "Offer Period"). Acceptances of the Tender Offer must be received by ABN AMRO Bank N.V., Copenhagen Branch ("ABN AMRO") through the tendering Codan shareholders' own custodian bank or stockbroker prior to the expiry of the Offer Period.

Acceptance Procedure	<p>Codan shareholders wishing to accept the Tender Offer subject to the terms and conditions of the Offer Document are encouraged to contact their own custodian bank or stockbroker, requesting that acceptance of the Tender Offer be communicated to ABN AMRO.</p> <p>Shareholders wishing to accept the Tender Offer are requested to use the acceptance form attached to this Offer Document.</p> <p>Codan shareholders should note that acceptance must be notified to their own custodian bank or stockbroker in due time in order to allow the custodian bank or stockbroker to process and communicate the acceptance to ABN AMRO before the Offer Period expires.</p>
Announcement of the result of the Tender Offer	<p>The Offeror will announce the result of the Tender Offer through the CSE no later than three Stock Exchange Days after expiry of the Offer Period. If the Offer Period is not extended, the Offeror expects that this announcement will be made on or before 26 June 2007.</p> <p>(Any such announcement will state that either all conditions to the Tender Offer have been satisfied or waived and that the Tender Offer will therefore be completed or, alternatively, that certain conditions have not been satisfied or waived, and therefore that the Tender Offer is withdrawn).</p>
Conditions	<p>The Tender Offer is subject to the following conditions:</p> <ol style="list-style-type: none">a) completion of the Tender Offer has not been precluded or materially obstructed by new legislation (actual or proposed), court decisions, or decisions by public authorities;b) there have been no events, matters or circumstances that have occurred during the period up to completion of the Tender Offer, which may have a material adverse effect on the Codan Group as a whole, its operations and business activities, its financial position and prospects, and/or that Codan does not, during such period, publish information about matters that may have such a material adverse impact on the Codan Group as a whole. For this purpose, any event or circumstance affecting the Offeror or any member of the R&SA Group (other than any member of the Codan Group) will not give rise to a material adverse effect;

- c) in the period until completion of this Tender Offer, Codan does not sell or in any other way (except for the cancellation procedures) dispose of the Treasury Shares; and
- d) the board of directors of Codan does not withdraw its recommendation of the Tender Offer.

The Offeror is entitled to withdraw the Tender Offer if one or more of the abovementioned conditions have not been satisfied at the expiry of the Offer Period. Any withdrawal of the Tender Offer will be announced through the CSE and by means of a press release, if and to the extent required under applicable laws, rules and regulations.

The Offeror has no obligation to acquire any shares in Codan and shall not be deemed to have acquired any Codan Shares pursuant to this Tender Offer unless and until the Offeror has published a notification to the effect that all of the preceding conditions have been satisfied or waived by the Offeror.

The Offeror reserves the right in its sole discretion to waive in whole or in part one or more of the conditions set forth above, purchase the Codan Shares tendered and complete the Tender Offer even though one or more of the above conditions is not satisfied, in whole or in part.

Other Terms

The Offeror reserves the right to extend the Offer Period on one or more occasion in accordance with applicable rules. Notification of any such extension will be announced by the Offeror through the CSE prior to the expiry of the Offer Period. The announcement will specify the number of Codan Shares that the Offeror has received acceptances in respect of, together with the duration of the revised Offer Period, which will then be referred to as the "Offer Period". Any extension of the Offer Period and/or any increase of the Offer Price will not constitute a new Tender Offer. Shareholders who have accepted the Tender Offer will continue to be bound by their acceptances if the Offer Period is extended and/or the Offer Price is increased. If the Offer Price is increased, shareholders who have accepted the Tender Offer at a lower Offer Price will automatically be entitled to such increased Offer Price if the Tender Offer is completed. The Offer Period will be a maximum of 10 weeks.

The Offeror reserves the right to purchase Codan Shares during the Offer Period outside the Tender Offer in the open market at prevailing prices or in private transactions at negotiated prices, as described above. Any such purchase will be made in accordance with applicable rules.

Acceptances of the Tender Offer are binding and irrevocable unless the Offeror announces through the CSE that the Tender Offer will be withdrawn. However, if a competing tender offer at a higher price than the Offer Price is published during the Offer Period on terms and conditions that are not less favourable to the selling shareholders than the terms and conditions set forth in this Offer Document, all acceptances will be cancelled automatically unless the Offeror matches or exceeds such higher offer price within 10 calendar days of publication of the competing offer(s). If the Offeror matches or exceeds such higher Offer Price, the Offeror will extend the Tender Offer for a period of not less than 14 calendar days and Codan shareholder acceptances will not be cancelled.

Shareholders accepting this Tender Offer will be eligible to vote at any general meeting Codan may hold during the Offer Period, and such shareholders will retain their right to any dividends or other distributions with respect to the shares in Codan until settlement of the Tender Offer.

All Codan shares sold to the Offeror according to this Tender Offer shall be free and clear of any lien, claim, charge, option, encumbrances and any other third party rights.

Financing If all of the Codan Shares not held by the Offeror or Codan are tendered in the Tender Offer, the aggregate cash consideration payable by the Offeror upon settlement of the Tender Offer would equal approximately DKK 6.4 billion. R&SA plc has agreed to make available to the Offeror the cash resources necessary to complete the Tender Offer.

Tax Considerations The tax consequences for Codan shareholders in connection with this Tender Offer will depend on the individual circumstances of each Codan shareholder. Shareholders are encouraged to consult their own tax advisers regarding the particular tax consequences of the Tender Offer applicable to them.

Settlement	<p>Settlement for Codan shareholders who have agreed to sell their Codan Shares pursuant to the Tender Offer will take place through the shareholders' own custodian banks or stockbrokers no later than three Stock Exchange Days after the Offeror's announcement through the CSE that the conditions for completion of the Tender Offer have been met or waived. At the same time, the final settlement date will be announced, which is expected to take place on 29 June 2007. Settlement will be made in cash by the Offeror. Any brokerage and other selling expenses charged by the tendering Codan shareholder's custodian banks or stockbrokers shall be paid by the tendering Codan shareholders.</p>
Settlement Agent	<p>ABN AMRO Bank N.V., Copenhagen Branch Amaliegade 35 P.O. Box 71 1003 Copenhagen K Denmark Tel: +45 35 44 35 44 Fax: +45 3396 1702</p>
Documents	<p>The Offeror will ask Codan to send by mail a copy of the offer advertisement together with this Offer Document at the Offeror's expense to registered Codan shareholders, except to those Codan shareholders in such jurisdictions in which the distribution of the Offer Document would be contrary to the law or otherwise restricted, including Canada, Australia and Japan.</p> <p>Additional copies of this Offer Document are available on request from ABN AMRO, tel. +45 3396 1200, and will also be available on www.royalsunalliance.com.</p>
Governing law	<p>The Tender Offer as well as acceptance thereof is subject to Danish law.</p> <p>Any dispute arising in connection with the Tender Offer shall be subject to the jurisdiction of the City Court in Copenhagen or any other Danish court to which the City Court may refer the dispute.</p>

Financial advisor ABN AMRO Bank N.V.,
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Legal Advisor Legal advisor to the Offeror with respect to Danish law:
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Legal advisor to the Offeror with respect to English law:
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Enquiries in connection with the Tender Offer can be made to:
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4 DESCRIPTION OF CODAN

The information in this Section 4 has been extracted from the most recent annual report of Codan and, where specific reference is made to it, the official website of the Company at www.codan.dk.

For further information on Codan, refer to the official website of the Company or announcements published by Codan. Neither the contents of the official website of Codan, nor the content of any published financial reports of Codan, shall be deemed to be incorporated into the Offer Document unless a specific reference to it is made in the Offer Document.

Codan takes its name from the sea surrounding Denmark: Sinus Codanus, the Latin name for the Baltic Sea. The Company's history can be traced back to 1781 in England. The Codan Group in its present form is the result of several mergers over the years. It is the third largest insurer in Scandinavia, its flagships being Codan in Denmark and Trygg-Hansa in Sweden. The Codan Group also carries on insurance business in Norway and is the market leader in the Baltics through Lietuvos Draudimas in Lithuania and Balta in Latvia. The Codan Group employs a total of 6,207 staff in the Nordic and Baltic countries. The Codan Group is focused on general insurance services for private and corporate clients and is divided into a commercial lines division, a personal lines division, a Scandinavian Holdings division (which covers Nordic Marine and the Baltics), a division for key commercial customers (Nordic Risk Solutions) and a separate division for claims handling. In 2006, Codan acquired the Norwegian underwriting agencies White Label Insurance and Duborgh Skadeforsikring, and in March 2007 acquired Pohjola's Finnish Marine portfolio.

Summary Financial Information

Key financial information in the following table is extracted from the Codan 2006 Annual Report.

Codan A/S

DKKm	2006	2005	2004	2003*	2002*
General insurance					
Gross earned premiums	15,445	14,519	14,074	14,050	12,454
Gross claims incurred	-11,249	-11,170	-10,395	-10,029	-9,732
Operating expenses	-2,795	-2,856	-2,598	-3,368	-3,229
Profit/loss from reinsurance	-506	364	-338	-548	-422
Balance of the technical account	1,638	1,290	1,087	304	-350
Investment return after transfer of technical interests	-395	243	413	417	-133
Other expenses	-16	-	-	-	-
Profit/loss before tax, general insurance	1,227	1,533	1,500	721	-483
Tax	-345	-414	-401	-114	168
Profit/loss after tax, general insurance	882	1,119	1,099	607	-315
Of which value adjustments	-635	-282	28	55	-320
Technical provisions, net of reinsurance	31,715	27,767	25,337	24,532	22,272
Run-off gain/loss	-777	164	-375	-206	-379
Relative run-off result	-3.5	0,8	-2.0	-1.2	-2.5
Gross claims ratio	73.2	77.4	74.4	71.8	78.4
Outward business in%	3.3	-2.5	2.4	3.9	3.4
Expense ratio	76.5	74.9	76.8	75.7	81.8
Combined ratio	18.2	19.8	18.6	24.1	26.1
Operating ratio	94.7	94.7	95.4	99.8	107.9
Net claims ratio	89.9	91.4	92.5	96.9	102.7
Net claims ratio	75.2	73.5	75.5	74.9	82.5

DKKm	2006	2005	2004	2003*	2002*
Life and pension insurance					
Gross earned premiums	19	44	54	3,669	3,245
Profit after tax, life and pension insurance	6	4	7	404	157
Technical provisions, net of reinsurance	185	207	283	57,311	55,216
Codan Group					
Profit/loss after tax, general insurance	882	1,119	1,099	607	-315
Profit after tax, life and pensions business	6	4	7	404	157
Profit/loss after tax, Codan A/S and other operations	50	122	53	-185	-280
Profit/loss from discontinued life and pensions business	9	-8	150	-	-
Group profit/loss	947	1,237	1,309	826	-438
Minority interests' share of the profit/loss	21	-32	-28	-52	-30
Codan A/S' share of the profit/loss	968	1,205	1,281	774	-468
Technical provisions	34,363	30,998	28,729	84,716	80,570
Insurance assets	2,463	3,024	3,109	2,873	3,082
Codan A/S' share of equity	10,182	10,496	9,596	9,222	8,448
Assets	50,456	46,196	43,123	95,775	90,226
Solvency ratio**	749	1,042	1,238	789	799
Return on equity in % p.a.	9.4	12.0	14.2	8.8	-5.5
Staff numbers, end of year (converted into full-time employees)	6,158	6,438	6,463	7,162	7,414

* Key figures and financial ratios for 2004-2006 have been calculated in accordance with IFRS. The comparative figures for 2002 and 2003 have not been restated to reflect the changed accounting policies but calculated in accordance with the previous accounting policies under the Danish accounting regulations and standards. Discontinued operations are included in the comparative figures for 2002 and 2003.

The financial ratios have been calculated in accordance with "Recommendations and Financial ratios 2005" published by the Danish Society of Financial Analysts.

** Solvency ratio in percent relative to the minimum requirement of 8% for financial holding companies in accordance with the Danish Financial Business Act.

5 CODAN SHAREHOLDER INFORMATION

Share capital

Codan has a share capital of nominally DKK 904,226,000 divided into 45,211,300 shares of a nominal value of DKK 20. Codan has one share class and no shares carry special rights. At the annual general meeting of Codan held on 11 April 2007 the Codan shareholders resolved to reduce the share capital of Codan by nominal DKK 44,256,500 from nominally DKK 904,226,000 to nominally DKK 859,969,500 which will be effected by cancellation of the Treasury Shares. The completion of the capital reduction is subject to expiry on 26 July 2007 of a statutory notice period.

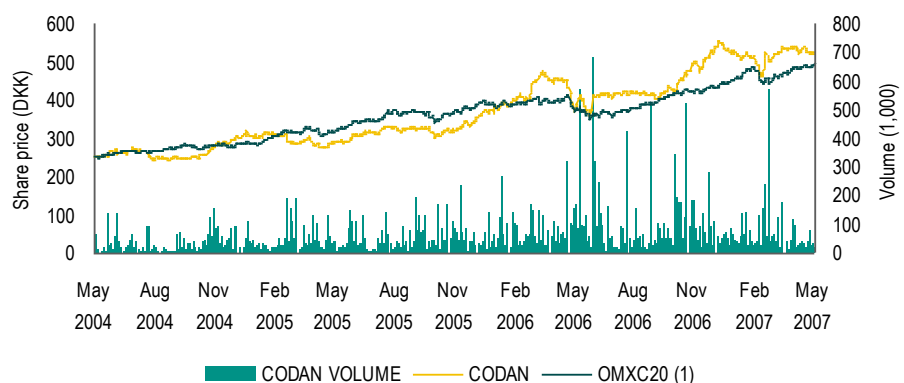
Shareholders

Codan had 3,567 registered shareholders as at 31 December 2006.

The largest shareholder, as of the date hereof, is the Offeror (71.66 % of the Share Capital).

On 13 March 2007 Codan announced that it held 2,212,825 Codan Shares in treasury, corresponding to nominally DKK 44,456,500 which represent 4.89% of the Share Capital (the "Treasury Shares"). The Offeror's holding of Codan Shares represent 75.34% of the Share Capital excluding the Treasury Shares respectively.

Share price development



Source: Datastream

Note (1): OMXC20 Index is rebased

The CSE announcements published by Codan in 2006/2007 are set out below.

Date	Announcement Content
11 April 2007	Codan held its annual general meeting of shareholders and presented the directors' report for 2006 and the annual report
21 March 2007	Codan acquires Finnish marine portfolio
19 March 2007	Notice of Annual General Meeting
13 March 2007	Codan's holding of own shares
8 March 2007	Announcement of results for 2006
14 December 2006	Codan's financial calendar for 2007 results announcements etc.
9 November 2006	Interim report for the period ended 30 September 2006
11 October 2006	Final agreements on acquisition of White Label Holding AS and Duborgh Skadeforsikring AS
15 September 2006	Codan's holding of own shares
12 September 2006	Codan purchases Norwegian and Swedish underwriting agencies
10 August 2006	Interim report for the first half of 2006
19 June 2006	R&SA plc holds an Investors Day
11 May 2006	Interim report for the period ended 31 March 2006
5 April 2006	Codan held its annual general meeting and presented the directors' report for 2005 and the annual report
9 March 2006	Announcement of results for 2005

The dates that relate to the Tender Offer are set out below and should also be noted.

Date	Announcement Content
24 May	Launch of the Tender Offer
21 June	Expected expiry of Offer Period
26 June	Expected announcement of the result of the Tender Offer
29 June	Expected settlement of the Tender Offer

6 THE ROYAL & SUN ALLIANCE GROUP

Listed on the LSE, R&SA plc is a FTSE 100 company with a market capitalisation of above £5,072 million as at 23 May 2007 (approximately DKK 55.6 billion). The R&SA Group operates in 27 countries and provides insurance products and services in over 130 countries.

2006 Results

The R&SA Group posted strong results for 2006, highlighting its continued focus on its objective of sustainable profitable growth. In 2006 net written premiums increased by 3% to £5.5 billion. The underwriting result increased by 18% to £310 million, demonstrating a disciplined approach to underwriting and claims and expense management. The R&SA Group's combined operating ratio (COR) of 93.3% was 0.8 points better than 2005 and the operating result improved by 5% to £780 million.

In 2006 the R&SA Group achieved an underlying return on equity of 21%.

Codan is a material part of the R&SA Group, generating 25% of the R&SA Group's net written premiums and 24% of the underwriting result in 2006. Codan is a strong business, providing the R&SA Group with exposure to the Scandinavian insurance markets. The R&SA Group's portfolio of businesses provides exposure to markets at different points in the insurance cycle allowing the allocation of capital to maximise returns. Consequently, Codan is integral to the R&SA Group's objective of delivering sustainable profitable performance.

The R&SA Group comprises three regions: UK, International (including Scandinavia) and Emerging Markets.

UK

The R&SA Group is the UK's largest commercial insurer, in 2006 with a 13% market share, writing property, motor, liability and marine insurance. Property is the largest segment, accounting for over 35% of Commercial net written premiums. The business has a strong reputation for its technical expertise and insures 70% of FTSE 100 retailers and is one of the leading carriers of Professional & Financial and Marine risks outside of Lloyd's of London.

The R&SA Group's Personal business was ranked third largest in the UK in 2006, with around four million covers in place. UK Personal primarily provides household, motor and travel insurance through "MORE TH>N", the R&SA Group's direct business.

International

The International division comprises of businesses in the mature markets of Scandinavia (Denmark, Sweden, Norway and Finland), Canada, Ireland and Italy. The International division provides a range of personal insurance including: motor, household, personal accident and travel as well as commercial lines including; property, marine and liability insurance.

Scandinavia

Within the International division, Scandinavia is the largest region accounting for 55% of net written premiums generated by the International division. In 2006, Codan was the third largest insurer in the region and its businesses are ranked third largest in Denmark and Sweden (operating under the Codan Brand in Denmark and Trygg-Hansa in Sweden).

Emerging Markets

The Emerging Markets division is the R&SA Group's fastest growing business, covering 20 markets which offer high growth potential in Latin America, the Baltics and Asia & Middle East. Latin America is the largest operation accounting for 59% of the Emerging Markets' net written premiums. The largest operations are based in Chile, Brazil and Mexico. As at the end of 2006, the businesses in Latvia and Lithuania are owned by Codan and are ranked number one in each of these markets. The Asia & Middle East business covers 10 countries, including India and China.

Further information on R&SA plc and R&SA Group is available on the official website of R&SA plc, at www.royalsunalliance.com. The contents of the official R&SA plc website shall not be deemed to be incorporated into this Offer Document unless specific reference is made to it.

7 DEFINITIONS

ABN AMRO	ABN AMRO BANK N.V., Copenhagen Branch Amaliegade 35 PO Box 71 1003 Copenhagen K Denmark
Codan Group	Codan, its subsidiaries and subsidiary undertakings
Combined ratio – Codan	Combined ratio = Claims ratio plus expense ratio, where; Claims ratio = (Gross claims incurred * 100) / Gross earned premiums less bonuses and rebates; and Expense ratio = (Gross operating expenses * 100) / Net earned premiums less bonuses and rebates
Combined ratio – R&SA plc	Combined ratio = Claims ratio plus expense ratio, where; Claims ratio = (Net claims incurred * 100) / Net earned premiums; and Expense ratio = (Gross operating expenses * 100) / Net written premium
Codan Shares	45,211,300 shares issued by Codan, each with a nominal value of DKK 20. (ISIN code DK0010288638)
Codan / the Company	Codan A/S (CVR No. 56771212) Gl. Kongevej 60 1790 København V Denmark
CSE	Copenhagen Stock Exchange A/S
FSA	The Danish Financial Supervisory Authority
LSE	London Stock Exchange
Offer Document	This document that relates to the Tender Offer including the Acceptance Form
Offer Period	The period commencing 24 May 2007 and expiring on 21 June 2007, at 20.00 CET or at the expiration of any extension
Offeror	RSA Overseas Holdings B.V., reg no. 33291495, 30 Fenchurch Street, 9th Floor, London EC3M 3BD, United Kingdom
Offer Price	DKK 605 per Codan Share of a nominal value of DKK 20
R&SA Group	R&SA plc, its subsidiaries and subsidiary undertakings
R&SA plc	Royal & Sun Alliance Insurance Group plc Registered in England with registration number: 2339826

	9 th Floor
	One Plantation Place
	30 Fenchurch Street
	London
	EC3M 3BD
	United Kingdom
Share Capital	The aggregate amount of issued Codan Shares, including the voting rights attached thereto, being nominally DKK 904,226,000
Stock Exchange Days	Days on which the CSE is open for trading
Tender Offer	The voluntary conditional public tender offer that is made to the shareholders of Codan on the terms and conditions described in this Offer Document
Treasury Shares	Nominally DKK 44,256,500 shares, corresponding to 2,212,825 Codan Shares, held by Codan and subject to cancellation procedures according to resolution at the 11 April 2007 annual general meeting of shareholders in Codan to decrease the share capital.
US or United States	The United States of America, its territories and possessions, any state of the United States and the District of Columbia
US Business Days	Any day on which the US securities markets are open for trading
US GAAP	Generally accepted accounting principles in the United States.
2006 Annual Report	The Codan annual report from 1 January 2006 to 31 December 2006 announced to the CSE on 8 March 2007 and approved at the annual general meeting of Codan shareholders held on 11 April 2007.

8 ACCEPTANCE FORM

Acceptance of the sale of shares in Codan A/S

(To be submitted to the shareholders' own custodian bank or stockbroker for endorsement and processing)

Acceptance must take place through the shareholders' custodian bank or stockbroker and must be made in due time to allow the custodian bank or stockbroker to process and communicate the acceptance to ABN AMRO Bank N.V., Copenhagen Branch, not later than 21 June 2007 at 20.00 CET or in the case of an extended Offer Period such later date and time as communicated in the notice of extension of the Tender Offer.

The undersigned represents that the shares sold are free from any and all charges, liens and other encumbrances and that no third party has been given any right whatsoever to the shares.

Subject to the terms set out in the Tender Offer made by RSA Overseas Holdings B.V. on 24 May 2007, I/we the undersigned hereby accepts the Tender Offer and irrevocably place an order for sale of the following number of shares of DKK 20 nominal value in Codan A/S (ISIN securities code DK0010288638):

	shares nom. DKK 20 each in Codan A/S
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I/we permit the effectuation of the sale of the shares from my/our custodian account with:

Custodian bank or stockbroker:	VP-account:
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The proceeds from the shares sold must be transferred to:

Bank:	Registration No. / Account No.:
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Information about the selling shareholder and signature:

Name:	
Address:	
City and postcode:	Telephone:
Date:	Signature:

The undersigned custodian bank or stockbroker agrees to transfer the above shares to ABN AMRO Bank N.V., Copenhagen Branch, if RSA Overseas Holdings B.V. determines in its sole discretion that this acceptance form is in accordance with RSA Overseas Holdings B.V.'s Tender Offer of 24 May for the acquisition of shares in Codan A/S and that the conditions to the Tender Offer have been satisfied or waived by it:

Registration No.:	CD-identification:
Company stamp and signature:	

The custodian bank shall no later than 21 June 2007 at 20.00 CET or in the case of an extended Offer Period such later date and time as communicated in the notice of extension of the offer notify the acceptance of the Tender Offer to:

ABN AMRO Bank N.V., Copenhagen Branch

Amaliegade 35

PO Box 71
1003 Copenhagen K
Denmark
Fax: +45 3396 1702