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**FOR IMMEDIATE RELEASE**

**2 October 2018**

**Update on Recommended Cash Acquisition  
of  
esure Group Plc (“esure”)  
by  
Blue (BC) Bidco Limited (“Bidco”)  
a wholly-owned subsidiary of funds advised by  
Bain Capital Private Equity, LP and its affiliates (“Bain Capital”)  
to be effected by means of a scheme of arrangement  
under Part 26 of the Companies Act 2006 (the “Scheme)**

**Irrevocable Undertakings**

**Introduction**

On 5 September 2018, esure published a circular in relation to the Scheme, setting out, among other things, the full terms and conditions of the recommended cash acquisition of esure by Bidco, entitling each esure Shareholder to receive 280 pence in cash for each Scheme Share held (the “**Scheme Document**”). Capitalised terms used but not defined in this announcement shall have the meanings given to them in the Scheme Document.

**Further share sales**

On 1 October 2018 Bidco announced that Toscafund Asset Management LLP (“**Toscafund**”) (acting in its capacity as discretionary investment manager of certain funds it manages) had agreed to sell an aggregate of 47,400,000 Shares in esure on 28 September 2018 to several purchasers (the “**Purchasers**”). Bidco has been notified that, on 1 October 2018, Toscafund agreed to sell an additional 18,500,000 Shares in aggregate to certain of the Purchasers in the amounts set out in column (3) of Part 2 of Appendix 1 to this announcement. Settlement of those sales will take place on 5 October 2018. As settlement of those sale transactions will take place following the Court Meeting and General Meeting to be held on 3 October 2018, Toscafund’s existing irrevocable undertaking, as described in the Scheme Document, continues to apply in relation to voting at those meetings in respect of Toscafund’s holding of 71,272,419 Shares.

As noted in paragraph 8.3 of Part VIII (*Additional Information*) of the Scheme Document, the terms of the irrevocable undertaking entered into by Toscafund on 14 August 2018 permit Toscafund to sell some or all of its Shares in certain circumstances. However, it must be a condition of any such sale that the purchaser provides an irrevocable undertaking to Bidco in substantially the form of the Toscafund irrevocable undertaking.

Accordingly, each Purchaser has entered into an irrevocable commitment (which is conditional upon the settlement of the relevant sale transaction and otherwise substantially on the same terms as the existing irrevocable undertaking provided by Toscafund, including as to the circumstances in which such irrevocable ceases to be binding) to vote in favour of the Scheme, or, in the event the Acquisition is effected by way of the Takeover Offer, to accept or procure the acceptance of the Takeover Offer in accordance with the procedure set out in the relevant offer document containing such Takeover Offer, in respect of the Shares to be acquired by such Purchaser. Together with the irrevocable undertakings entered into by the Purchasers as described in Bidco's announcement of 1 October 2018 (all of which remain in effect), these irrevocable commitments represent, in aggregate, 65,900,000 Shares representing approximately 15.72 per cent. of the existing issued share capital of esure (representing approximately 22.69 per cent. of the Shares eligible to vote for the Scheme at the Court Meeting and for the Rollover Arrangements Resolution at the General Meeting). The number of Shares which are the subject of the existing irrevocable undertaking given by Toscafund will reduce accordingly upon settlement of the sale transactions.

#### **Aggregate irrevocable position unchanged**

The aggregate number of Shares subject to irrevocable commitments received by Bidco in relation to the Acquisition remains as set out in the Scheme Document. Therefore, as at the date of this announcement, Bidco has irrevocable undertakings to vote in favour of:

- the Scheme at the Court Meeting and the Rollover Arrangements Resolution at the General Meeting with respect to, in aggregate, 72,639,331 Shares representing approximately 17.33 per cent. of the existing issued share capital of esure (representing approximately 25.01 per cent. of the Shares eligible to vote for the Scheme at the Court Meeting and for the Rollover Arrangements Resolution at the General Meeting); and
- the Special Resolution at the General Meeting with respect to, in aggregate, 201,248,986 Shares representing approximately 48.02 per cent. of the existing issued share capital of esure.

Details of all the irrevocable undertakings received by Bidco in relation to the Acquisition are set out in Appendix 1 to this announcement.

Except where otherwise stated, percentage holdings of Shares set out in this announcement are based on 419,100,097 Shares in issue as announced by esure on 1 October 2018.

#### **Enquiries**

**Camarco**

+44(0) 20 3757 4989

**(PR adviser to Bidco and Bain Capital)**

Hazel Stevenson

**Goldman Sachs International**  
**(Lead financial adviser to Bidco and Bain Capital)**

+44(0) 20 7774 1000

Anthony Gutman

Chris Emmerson

Jamie Hay

**Dean Street Advisors Limited**  
**(Financial adviser to Bidco and Bain Capital)**

+44(0) 20 3818 8520

Mervyn Metcalf

Graeme Atkinson

Karl Mrowiec

**Cenkos Securities plc**  
**(Financial adviser to Bidco and Bain Capital)**

+44 (0)20 7397 8900

Bob Morris

Jeremy Osler

Nicholas Wells

***Further information***

*Goldman Sachs International, which is authorised by the Prudential Regulation Authority (“PRA”) and regulated in the United Kingdom by the Financial Conduct Authority (“FCA”) and the PRA, is acting as lead financial adviser to Bidco and Bain Capital and for no one else in connection with the Acquisition and will not be responsible to anyone other than Bidco and Bain Capital for providing the protections afforded to its clients nor for providing advice in relation to the Acquisition, the contents of this announcement or any other matters referred to in this announcement.*

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***Overseas jurisdictions***

*The release, publication or distribution of this announcement in or into or from jurisdictions other than the United Kingdom may be restricted by law and therefore any persons who are subject to the laws of any jurisdiction other than the United Kingdom should inform themselves about, and observe, such restrictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of 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. This announcement does not constitute an offer or invitation to purchase or subscribe for any securities or a solicitation of an offer to buy any securities pursuant to this announcement or otherwise in any jurisdiction in which such offer or solicitation is unlawful. This announcement has been prepared for the purposes of complying with English law, the Code and the Listing Rules and the information disclosed may not be the same as that which would have been disclosed if this announcement had been prepared in accordance with the laws of jurisdictions outside England and Wales.*

*The Acquisition relates to shares in an English company and is proposed to be made by means of a scheme of arrangement under English company law. US holders of Shares should note that the Scheme relates to the shares of an English company that is a “foreign private issuer” as defined under Rule 3b-4 of the US Exchange Act and will be governed by English law. Accordingly, neither the US proxy solicitation rules nor the tender offer rules under the US Exchange Act will apply to the Acquisition and the Scheme. Moreover, the Acquisition and the Scheme are subject to the disclosure requirements and practices applicable in England to schemes of arrangement, which differ from the disclosure requirements of the US proxy solicitation rules and tender offer rules. Financial information included in this announcement has been prepared in accordance with accounting standards applicable in the UK that may not be comparable to financial statements of US companies. If Bidco were to elect to implement the acquisition of the Shares by way of a Takeover Offer, such offer will be made in compliance with applicable US securities laws and regulations, including Section 14(e) of the US Exchange Act and Regulation 14E thereunder.*

*Neither the SEC nor any securities commission of any state of the US nor any other US regulatory authority has approved the Acquisition, passed upon the fairness of the Acquisition or passed upon the adequacy or accuracy of this announcement. Any representation to the contrary is a criminal offence in the US.*

*In accordance with normal UK practice, Bidco or its nominees, or its brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Shares outside of the US, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes effective, lapses or is otherwise withdrawn in compliance with applicable law, including the US Exchange Act. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the UK, 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).*

*It may be difficult for US holders of Shares to enforce their rights and any claim arising out of the US federal securities laws, since esure and Bidco are each located in a non-US jurisdiction, and some or all of their officers and directors are residents of non-US jurisdictions. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of 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.*

*The statements contained in this announcement are made as at the date of this announcement, unless some other time is specified in relation to them, and service of this announcement shall not give rise to any implication that there has been no change in the facts set forth in this announcement since such date. Nothing in this announcement shall be deemed to be a forecast, projection or estimate of the future financial performance of esure, the esure Group, Bidco or the Wider Bidco Group except where otherwise stated.*

*The availability of the Acquisition to holders of Shares who are not resident in the United Kingdom may be affected by the laws of the relevant jurisdictions in which they are resident. It is the responsibility of any person outside the United Kingdom into whose possession this announcement comes to satisfy themselves as to the full observance of the laws of the relevant jurisdiction in connection with the Acquisition, including the obtaining of any governmental, exchange control or other consents which may be required and/or compliance with other necessary formalities which are required to be observed and the payment of any issue, transfer or other taxes or levies due in such jurisdiction.*

*Unless otherwise determined by Bidco or required by the 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 Acquisition by any such use, means, instrumentality or form within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must observe these restrictions and must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction.*

*This announcement does not constitute an offer to sell or issue or the solicitation of an offer to buy or subscribe for shares in any jurisdiction in which such offer or solicitation is unlawful.*

***Publication on website***

*A copy of this announcement and the irrevocable undertakings of the Purchasers will be made available (subject to certain restrictions relating to persons resident in Restricted Jurisdictions), free of charge, at <https://www.baincapital.com/news/esureoffer>. The content of the websites referred to in this announcement is not incorporated into and does not form part of this announcement.*

## Appendix 1

### Details of Irrevocable Undertakings

#### Part 1: Existing Irrevocable Undertakings

##### Irrevocable Undertakings given by Independent Directors

<b>Name of Independent Director</b>	<b>Number of Shares in respect of which undertaking is given</b>	<b>Percentage of esure's issued ordinary share capital</b>
Darren Ogden	1,326,912	0.317 per cent.
Martin Pike	40,000	0.010 per cent.
<b>Total</b>	<b>1,366,912</b>	<b>0.326 per cent.</b>

These Independent Directors have given irrevocable undertakings to vote in favour of the Scheme, or, in the event the Acquisition is effected by way of a Takeover Offer, to accept or procure the acceptance of the Takeover Offer in accordance with the procedure set out in the relevant offer document containing such Takeover Offer.

These irrevocable undertakings cease to be binding if: (i) where the Acquisition is to be implemented by way of the Scheme, if the Scheme does not become effective on or before the Long Stop Date, provided that the reason is not because Bidco has elected to proceed by way of a Takeover Offer, rather than the Scheme; (ii) where the Acquisition is to be implemented by way of a Takeover Offer, if the relevant offer document is not despatched to Shareholders on or before the date falling 28 days after the date of the firm announcement of such Acquisition or such later time as may be agreed by the Panel; (iii) Bidco announces that it no longer intends to make or proceed with the Acquisition; (iv) if the Acquisition, whether to be implemented as a Scheme or a Takeover Offer, lapses or is withdrawn and Bidco announces that it does not intend to proceed with the Acquisition; (v) if the Acquisition, whether to be implemented as a Scheme or a Takeover Offer, lapses or is withdrawn (which for the avoidance of doubt shall not include any suspension of the timetable applicable to any Scheme) and no new, revised or replacement Scheme or Takeover Offer has been announced by Bidco, in accordance with the Code, within ten Business Days of such lapsing or withdrawal; or (vi) if (x) any other scheme of arrangement under section 895 of the Companies Act in respect of esure becomes effective in accordance with its terms; or (y) any other offer made for the entire share capital of esure becomes or is declared wholly unconditional.

Subject to the above, the terms of the irrevocable undertakings from each of the Independent Directors will continue to be binding in the event a higher competing offer is made for esure.

##### **Sir Peter Wood Irrevocable Undertaking**

Sir Peter Wood, esure's largest shareholder, has irrevocably undertaken to be bound by the terms of the Scheme in respect of 110,752,512 Shares beneficially owned by him, being all of the Shares held by him other than those Shares which are subject to the Rollover Arrangements. Sir Peter Wood has given an irrevocable undertaking in respect of 128,609,655 Shares (being his entire beneficial holding of Shares and representing approximately 30.69 per cent. of esure's issued share capital) to vote in favour of the Special Resolution. Sir Peter Wood is not entitled to vote at the Court Meeting, and is not entitled to vote at the General Meeting in respect of the Rollover Arrangements Resolution. In the event the Acquisition is effected by way of a Takeover Offer, Sir Peter Wood has irrevocably undertaken to accept or procure the acceptance of the Takeover Offer in respect of 110,752,512

Shares representing approximately 26.43 per cent. of esure's issued share capital in accordance with the procedure set out in the relevant offer document containing such Takeover Offer.

The terms of Sir Peter Wood's irrevocable undertaking permit him to accept a higher competing offer made prior to the Scheme becoming effective or, if the Acquisition is to be implemented as a Takeover Offer, rather than a Scheme, prior to such Takeover Offer becoming wholly unconditional, if any person other than Bidco or a person acting in concert with Bidco announces a firm intention to make an offer to acquire esure (a "**Competing Offer**"), provided that such Competing Offer is: (i) at a price, or is in exchange for such number of shares (or other securities) that in the reasonable opinion of the Board of directors of esure having taken advice from its financial advisers, implies a value for each Share, of at least 325 pence; and (ii) Bidco has not announced a firm intention to make a revised offer which is not subject to any pre-conditions for an equivalent or improved consideration (in the reasonable opinion of Bidco's financial advisers) to that available under such Competing Offer by 5:00 p.m. on the tenth Business Day after the date of the announcement of the Competing Offer.

Sir Peter Wood's irrevocable undertaking will cease to be binding in the event that he accepts or votes in favour of a Competing Offer. Otherwise, Sir Peter Wood's irrevocable undertaking ceases to be binding in the same circumstances as the irrevocable undertakings given by the Independent Directors.

### **Toscafund Irrevocable Undertaking**

Toscafund has given an irrevocable undertaking in respect of 71,272,419 Shares (the "**Toscafund Irrevocable Undertaking**") representing approximately 17.01 per cent. of esure's issued share capital (representing 24.54 per cent. of the Shares eligible to vote at the Court Meeting) to vote in favour of the Scheme, or, in the event the Acquisition is effected by way of the Takeover Offer, to accept or procure the acceptance of the Takeover Offer in accordance with the procedure set out in the relevant offer document containing such Takeover Offer.

Toscafund is permitted under the terms of the Toscafund Irrevocable Undertaking to sell some or all of its Shares in certain circumstances. It must be a condition of any such sale that the purchaser provides an irrevocable undertaking to Bidco in substantially the form of the Toscafund Irrevocable Undertaking. Accordingly, and as noted in the body of this announcement, the number of Shares in respect of which the Toscafund Irrevocable Undertaking is given will be reduced upon settlement of the Toscafund Share Sales.

Upon settlement of the sales of Shares described in Bidco's announcement of 1 October 2018 and the further sales described in this announcement, the Toscafund Irrevocable Undertaking will continue to apply in respect of Toscafund's residual holding of 5,372,419 Shares representing approximately 1.28 per cent. of esure's issued share capital (representing approximately 1.85 per cent. of the Shares eligible to vote at the Court Meeting) to vote in favour of the Scheme, or, in the event the Acquisition is effected by way of the Takeover Offer, to accept or procure the acceptance of the Takeover Offer in accordance with the procedure set out in the relevant offer document containing such Takeover Offer.

The Toscafund Irrevocable Undertaking ceases to be binding in the same circumstances as the irrevocable undertakings given by Sir Peter Wood.

## Part 2: Purchasers' Irrevocable Undertakings

	Number of Shares in respect of which undertaking is given			
(1)	(2)	(3)	(4)	(5)
Name of Purchaser	Shares sold by Toscafund on 28 September 2018	Shares sold by Toscafund on 1 October 2018	Total	Percentage of esure's issued ordinary share capital
Anavio Capital Master Fund Limited	2,500,000	-	2,500,000	0.60
GWM Asset Management Limited	5,000,000	-	5,000,000	1.19
Laffitte Capital Management SAS	2,500,000	500,000	3,000,000	0.72
LMR Partners LLP	11,000,000	2,800,000	13,800,000	3.29
Manikay Partners LLC	4,000,000	2,000,000	6,000,000	1.43
Melqart Asset Management (UK) Limited	7,800,000	5,000,000	12,800,000	3.05
Mirabella Financial Services LLP	5,000,000	-	5,000,000	1.19
MVN Asset Management Limited	4,500,000	1,500,000	6,000,000	1.43
Opera Trading Capital	2,100,000	5,700,000	7,800,000	1.86
Water Island Capital, LLC	3,000,000	1,000,000	4,000,000	0.95
<b>Total</b>	<b>47,400,000</b>	<b>18,500,000</b>	<b>65,900,000</b>	<b>15.72</b>

Each of the Purchasers has given irrevocable undertaking(s), which are conditional upon settlement of the relevant sale(s) of shares by Toscafund, in respect of, in aggregate, the numbers of Shares set out in column (4) above opposite its name to vote in favour of the Scheme, or, in the event the Acquisition is effected by way of the Takeover Offer, to accept or procure the acceptance of the Takeover Offer in accordance with the procedure set out in the relevant offer document containing such Takeover Offer.

The irrevocable undertakings given by each Purchaser cease to be binding in the same circumstances as the irrevocable undertakings given by Sir Peter Wood and Toscafund.