August 7, 2015

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [BTCRD/33/2015]

On July 10, 2015, the Department of Business, Tourism, Culture and Rural Development received your request for access to the following records:

The loan agreement, plus any addendums, revisions or amendments made to the agreement, related to this press release: http://www.releases.gov.nl.ca/releases/2015/exec/0615n04.aspx

I am pleased to inform you that a decision has been made by the Deputy Minister for the Department of Business, Tourism, Culture and Rural Development to provide access to some of the requested information. In particular, access is granted to the following records:

The Contribution Agreement between the Department of Business, Tourism, Culture and Rural Development and ROINS Financial Services Limited/Johnson Inc.

Access to the remaining records, and/or information contained within the records, has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

Sections: 35(1)(g), 39(1)(a)(ii), 39(1)(b), 39(1)(c)(i), 39(1)(c)(ii)

As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible. In accordance with your request for a copy of the records, the appropriate copies have been enclosed.

Please be advised that you may appeal this decision and ask the Information and Privacy Commissioner to review the decision to provide partial access to the requested information, as set out in section 42 of the
Act. A request to the Commissioner must be made in writing within 15 business days of the date of this letter or within a longer period that may be allowed by the Commissioner. Your appeal should identify your concerns with the request and why you are submitting the appeal.

The appeal may be addressed to the Information and Privacy Commissioner is as follows:

Office of the Information and Privacy Commissioner
2 Canada Drive
P. O. Box 13004, Stn. A
St. John’s, NL A1B 3V8

Telephone: (709) 729-6309
Toll-Free: 1-877-729-6309
Facsimile: (709) 729-6500

You may also appeal directly to the Supreme Court Trial Division within 15 business days after you receive the decision of the public body, pursuant to section 52 of the Act.

Please be advised that responsive records will be published following a 72 hour period after the response is sent electronically to you or five business days in the case where records are mailed to you. It is the goal to have the responsive records posted to the Office of Public Engagement’s website within one business day following the applicable period of time. Please note that requests for personal information will not be posted online.

If you have any further questions, please contact me by telephone at 729-3356 or by email at wcomeau@gov.nl.ca.

Sincerely,

Wayne Comeau

ATIPP Coordinator

Enclosures
Disclosure harmful to the financial or economic interests of a public body

35. (1) The head of a public body may refuse to disclose to an applicant information which could reasonably be expected to disclose

(a) trade secrets of a public body or the government of the province;

(b) financial, commercial, scientific or technical information that belongs to a public body or to the government of the province and that has, or is reasonably likely to have, monetary value;

(c) plans that relate to the management of personnel of or the administration of a public body and that have not yet been implemented or made public;

(d) information, the disclosure of which could reasonably be expected to result in the premature disclosure of a proposal or project or in significant loss or gain to a third party;

(e) scientific or technical information obtained through research by an employee of a public body, the disclosure of which could reasonably be expected to deprive the employee of priority of publication;

(f) positions, plans, procedures, criteria or instructions developed for the purpose of contractual or other negotiations by or on behalf of the government of the province or a public body, or considerations which relate to those negotiations;

(g) information, the disclosure of which could reasonably be expected to prejudice the financial or economic interest of the government of the province or a public body; or

(h) information, the disclosure of which could reasonably be expected to be injurious to the ability of the government of the province to manage the economy of the province.

(2) The head of a public body shall not refuse to disclose under subsection (1) the results of product or environmental testing carried out by or for that public body, unless the testing was done

(a) for a fee as a service to a person or a group of persons other than the public body; or

(b) for the purpose of developing methods of testing.

2015 cA-1.2 s35

Disclosure harmful to business interests of a third party

39. (1) The head of a public body shall refuse to disclose to an applicant information

(a) that would reveal

   (i) trade secrets of a third party, or

   (ii) commercial, financial, labour relations, scientific or technical information of a third party;

(b) that is supplied, implicitly or explicitly, in confidence; and

(c) the disclosure of which could reasonably be expected to

   (i) harm significantly the competitive position or interfere significantly with the negotiating position of the third party,

   (ii) result in similar information no longer being supplied to the public body when it is in the public interest that similar information continue to be supplied,

   (iii) result in undue financial loss or gain to any person, or
(iv) reveal information supplied to, or the report of, an arbitrator, mediator, labour relations officer or other person or body appointed to resolve or inquire into a labour relations dispute.

(2) The head of a public body shall refuse to disclose to an applicant information that was obtained on a tax return, gathered for the purpose of determining tax liability or collecting a tax, or royalty information submitted on royalty returns, except where that information is non-identifying aggregate royalty information.

(3) Subsections (1) and (2) do not apply where

(a) the third party consents to the disclosure; or

(b) the information is in a record that is in the custody or control of the Provincial Archives of Newfoundland and Labrador or the archives of a public body and that has been in existence for 50 years or more.

2015 cA-1.2 s39
CONTRIBUTION AGREEMENT

THIS AGREEMENT made at the City of St. John's, in the Province of Newfoundland and Labrador, this 31st day of March, 2015.

BETWEEN:

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR, as represented by the Minister of Business, Tourism, Culture and Rural Development;

(hereinafter the “Minister”)

AND: ROINS FINANCIAL SERVICES LIMITED, a body corporate organized and existing pursuant to the laws of Canada;

(hereinafter “RSA Canada” or the “Company”)

AND: JOHNSON INC., a body corporate organized and existing pursuant to the laws of the Province of Newfoundland and Labrador;

(hereinafter “Johnson Inc.”)

WHEREAS:

1. RSA Canada has requested funding from the Minister to support the development and creation of 1,200 Person Years of Employment (PYE) in the Province over a 60 month period;

2. The Minister and RSA Canada have agreed to terms in support of the Project as set forth herein; and

3. In support of the Project, ROINS Holding Limited (“RHL”) has agreed to provide the Province with a Guarantee (the “Guarantee”) and Johnson Inc. has agreed to provide the Province with a security interest in collateral located in the Province in the form of a General Security Agreement that creates a security interest in all present and after-acquired personal property of Johnson Inc. in the Province.

NOW THEREFORE THIS AGREEMENT WITNESSES that in respect of the covenants, agreements and provisions herein contained and for mutual consideration exchanged, (the sufficiency of which is hereby acknowledged and agreed), the Minister and RSA Canada agree together as follows:

1. DEFINITIONS

   Where used in this Agreement or in any amendment of this Agreement, the following terms shall have the following meanings respectively:

   “Accepted Claims” means those claims of the Company submitted to the Province for a Rebate
which have been approved by the Province for having achieved the Employment Targets;

“Agreement” means this Contribution Agreement and all instruments supplemental to or in amendment or confirmation of this Agreement;

“Base Level of Employment” means the existing staff complement of RSA Canada and the Permitted Companies currently located in Newfoundland and Labrador as of January 1, 2015;

“Collateral” shall have the same meaning as the definition of Collateral in the General Security Agreement dated March 31, 2015;

“Confidential Information” means all information provided or disclosed in the course of the discussions or negotiations respecting the Project whether provided directly or indirectly, tangible or intangible, orally or in writing or by any other media and despite the definition of “Confidential Information”, the term “Confidential Information” does not include information that:

a) was or becomes generally publicly available, other than as a result of a disclosure by the Minister or any of its representatives in violation of this Agreement;

b) is in the lawful possession of the Minister or any of its representatives prior to its disclosure by or on behalf of RSA Canada or any of its representatives; or

c) was or becomes available to the Minister or any of its representatives on a non-confidential basis prior to its disclosure by or on behalf of RSA Canada or its representatives from a third party that to the Minister’s knowledge is not bound by a similar duty of confidentiality;

“Department” means the Department of Business, Tourism, Culture and Rural Development, Government of Newfoundland and Labrador;

“Eligible Costs” refers to wages and salaries for incremental hires above the Base Level of Employment (excluding Claims Adjuster roles) incurred by RSA Canada between January 1, 2015 and March 31, 2017 accepted by the Department acting reasonably as outlined in Annex A (iii);

“Employment Target” means the creation of 1,200 Incremental person years of employment in excess of the Base Level of Employment over the first 60 months of the Project (where 1 person year of employment equals 2,080 hours of paid work in a 12 month period (ie. 1,200 person years of employment equals 2,496,000 hours of paid work) by March 31, 2020;

“Government” means the Government of Newfoundland and Labrador;

“IFRS” means International Financial Reporting Standards, consistently applied;

“Minister” means the Minister of Business, Tourism, Culture and Rural Development, Government of Newfoundland and Labrador, or his or her designate, and their representatives, employees or agents according to law;

“Parties” means the Minister, RSA Canada and Johnson Inc., collectively, and “Party” means any one of them;

“Permitted Companies” means Johnson Inc., RSA Travel Insurance Inc., Royal & Sun Alliance
Insurance Company of Canada, Unifund Claims Inc., Unifund Assurance Company, and such other subsidiaries, affiliates, or associated or related corporations of RSA Canada as may be permitted by this Agreement to participate in the Project;

“Project” means the creation of 1,200 Person Years of Employment (PYE) over five consecutive years of operations by RSA Canada through the Permitted Companies as mutually agreed upon by the Company and Department and as further outlined in Annex A;

“Province” means the Province of Newfoundland and Labrador, and includes where appropriate the Department, the Government and the Minister; and

“RSA Canada” or the “Company” means ROINS Financial Services Limited, a body corporate organized and existing pursuant to the laws of Canada.

2. CONTRIBUTION

2.1. The Department’s contribution to the Project shall be to a total maximum amount of $6,500,000 (the “Funds”) comprised of a conditionally repayable loan (the “Loan”).

2.2. The Loan shall be forgiven in respect of Accepted Claims for Employment Targets as prescribed to a total maximum amount of $6,500,000 according to section 2.3 hereunder and which will be forgiven as further outlined and provided in section 7 of this Agreement.

2.3. Subject to section 2.5 herein, the Department will, upon the satisfaction of all conditions precedent as set forth in Section 4 of this Agreement and any other conditions as may be applicable herein, forgive RSA Canada in an amount equal to $5,417 per person year of employment achieved and created by March 31, 2020 (the “Rebate”), to a maximum of $6,500,000. Loan forgiveness for Employment Targets will be dependent upon provision by the Company of the following supporting documentation (the “Supporting Documents”):

2.3.1. claim form;
2.3.2. payroll records; and
2.3.3. such other documentation as the Province may require, acting reasonably, to satisfy itself as to the employment hours claimed.

2.4. Prior to Loan forgiveness, the Company may be required to satisfy the Minister that all terms and conditions of this Agreement have been complied with, including all security as per section 6.

2.5. It is understood and agreed by RSA Canada that all approved funding under this Agreement is subject to the necessary appropriation being made in accordance with the Financial Administration Act, RSNL 1990, c. F-8 (as amended).

2.6. The Department reserves the right to demand of RSA Canada an accounting of all funds, regardless of source, expended in relation to the Project, including the right to review all supporting documentation in relation thereto. In connection with its rights in this section 2.6, the Department acknowledges that the project costs and applicant investment identified in Annex A are estimates that have been used for information purposes only, and that the actual amounts for wages and salaries and applicant investment may be higher or lower than the amount stated above.
3. TERM

3.1. The Effective Date of this Agreement shall be the date on the first page hereof.

3.2. This Agreement will become null and void if a signed copy is not received by the Department from the Company by May 31, 2015.

3.3. The Term of this Agreement shall be from the Effective Date to March 31, 2020.

3.4. Notwithstanding Section 3.3,

3.4.1. if Supporting Documents pertaining to a claim for a rebate of Eligible Costs have not been submitted by January 1, 2016 then and in that event, repayment to the Minister shall be made in accordance with Section 7 and no further disbursement of funds shall occur after that date, and

3.4.2. there shall be no obligation for the Department to disburse any Funds remaining unclaimed on or after April 15, 2017.

3.5. The Department shall have the absolute discretion to extend the dates referred to in this Section 3, provided however that such extension must be in writing from the Department.

4. CONTINGENT CONDITIONS (CONDITIONS PRECEDENT)

As condition precedent to the disbursement of the Funds pursuant to Section 2, RSA Canada covenants and agrees that it shall provide or cause to be provided to the Province:

4.1. in a form acceptable to the Department, a duly executed general security agreement between Johnson Inc. as debtor and the Province as the first secured party (the "General Security Agreement") and the Guarantee from RHL in support thereof;

4.2. a copy of its incorporation certificate and evidence of good standing with Corporations Canada;

4.3. evidence of the licences, certifications and regulatory approvals required for undertaking the Project;

4.4. written confirmation of insurance coverage for the Collateral, which is acceptable to the Minister. Such coverage shall name the Province as an additional loss payee for the insurance;

4.5. evidence, provided by RSA Canada's solicitor, of clear standing of the Company and Johnson Inc. with respect to any encumbrances with Department of Finance, Department of Advanced Education and Skills under the Labour Standards Act, Canada Revenue Agency for HST and source deductions, the appropriate municipality, the Workplace Health, Safety & Compensation Commission and under the Mechanics' Lien Act, RSNL1990 C. M-3;

4.6. up-to-date search results and clearances, provided by RSA Canada's solicitor, for the
Company and Johnson Inc. in relation to the Personal Property Registry, the Judgment Enforcement Registry, the Superintendent of Bankruptcy, Bank Act security, as well as the Supreme Court of Newfoundland and Labrador and the Federal Court of Canada;

4.7. copies of resolutions of the Board of Directors of RSA Canada in a form satisfactory to the Department authorizing the borrowing and undertakings contemplated by this Agreement and the execution and delivery of this Agreement and all other Company agreements and documents listed in section 6 of this Agreement, all certified by the secretary of RSA Canada or another authorized officer of RSA Canada;

4.8. copies of resolutions of the Board of Directors of Johnson Inc. in a form satisfactory to the Department authorizing the undertakings contemplated by this Agreement and the execution and delivery of this Agreement and all other agreements and documents of Johnson Inc. listed in section 6 of this Agreement, all certified by the secretary of Johnson Inc. or another authorized officer of Johnson Inc.; and

4.9. copies of resolutions of the Board of Directors of RHL in a form satisfactory to the Department authorizing the Guarantee contemplated by this Agreement and the execution and delivery of same, all certified by the secretary of RHL or another authorized officer of RHL.

5. UNDERLYING CONDITIONS

RSA Canada agrees that it shall:

5.1. use the Funds exclusively towards the Project, and shall not co-mingle the Funds with the activities of any of RSA Canada's subsidiaries, affiliates or other associated or related corporations, as those terms are understood in the laws of the Province and generally, other than with the Permitted Companies;

5.2. keep proper books of accounts and maintain therein true and faithful entries of all dealings and transactions in relation to its business in accordance with IFRS;

5.3. in respect of the Company and the Permitted Companies, provide to the Province: (i) annual review engagement financial statements, including calculation of amounts as may be due to the Department, within 120 days following the Permitted Company's fiscal year end accompanied by, (ii) a separate report verifying incremental jobs created in the Province above the Base Level of Employment, further segregated by gender, as a result of provision of the Funds. The final reporting requirements, although outside the Term of this Agreement, shall be provided by the Company in accordance with this Section and these requirements shall survive any termination of this Agreement;

5.4. ensure hiring practices for the Project by the Permitted Companies are inclusive for qualified women;

5.5. cause this Agreement, the Guarantee, the General Security Agreement and any other instruments of conveyance or assignment effected pursuant to this Agreement to be and remain registered, recorded or filed from time to time in a manner and places as may in the opinion of the Department be of advantage in perfecting the security and will furnish to the
Department evidence satisfactory to it of registration, recording and filing;

5.6. pay or reimburse the Department for all costs, charges and expenses (including legal fees) incurred by the Department in connection with any effort of the Department to effect recovery under this Agreement, the Promissory Note or the General Security Agreement, including all costs, charges and expenses in connection with the recovery or enforcement of payment of monies advanced, enforcement of security or preservation of the Collateral, together with interest at the rate set out in section 32.1;

5.7. give the Department written notice of the occurrence of any litigation, proceeding or dispute materially affecting the Permitted Companies and not including claims in the ordinary course of business and will provide to the Department all reasonable information requested by the Department concerning the status of the litigation, proceeding or dispute;

5.8. not, except as is contemplated by this Agreement, make or authorize any material changes to the Project stipulated under this Agreement or its ancillary documents without the consent of the Department;

5.9. ensure the Permitted Companies continue to comply with all applicable enactments and obtain all required permissions, of any legislative authority that apply to the Project;

Johnson Inc. agrees that it shall: 

35(1)(g), 39(1)(a)(ii), 39(1)(b), 39(1)(c)(i), 39(1)(c)(ii)
7. TERMS OF REPAYMENT

7.1. Subject to the Company's compliance with all other conditions set forth in this Agreement, repayment of the obligation to a maximum repayment amount of $8,500,000 will not be required if, within 30 days of March 31, 2020, the Company provides the Supporting Documents to the Department to confirm achievement of the Employment Target.

7.2. In the event the Company fails to achieve the Employment Target, it shall be liable to repay to the Province the obligation of $5,417 for each PYE the Company fails to create. Payment will be provided to the Province within 90 days of March 31, 2020. Interest in accordance with clause 32.1 will accrue only on overdue payments not made within 90 days of March 31, 2020, and shall only begin to accrue when such payment becomes overdue.

7.3. The Company shall have the privilege when not in default in any of its obligations contained in this Agreement, on 30 days' written notice, but without premium or penalty, of prepaying all or any part of the obligation.

7.4. Upon the occurrence of an Event of Default, the Minister may, in his absolute discretion, without notice and without prejudice to any other rights and remedies he may have in the circumstances, cease further disbursement of the Funds as of the date of default.

7.5. Funds which must be repaid as a result of an Event of Default are a debt due to the Province. The interest applicable on such Funds shall be calculated in accordance with Section 32.1.
7.6. Upon the occurrence of (a) forgiveness of the Loan in its entirety in accordance with Section 7.1; (b) repayment in full of the obligation in accordance with Section 7.2; or (c) repayment of any Funds which must be repaid as the result of an Event of Default in accordance with Section 7.5, the Province will promptly release the Company, Johnson Inc. and RHL from their all of their respective obligations under this Agreement, as well as under the Promissory Note, General Security Agreement and the Guarantee, and further, the Province will take all steps necessary to discharge its registrations in the Personal Property Security Registry pertaining to the security identified in this Agreement, or other agreements referenced in this section, and including but not limited to any registrations affecting the Collateral.

8. EVENTS OF DEFAULT

8.1. The whole of the Funds disbursed to the Company together with interest and all other moneys secured by the Guarantee, the Promissory Note and the General Security Agreement shall, at the option of the Department, become immediately due and payable and the security created by the Guarantee, the Promissory Note and the General Security Agreement become enforceable in each of the following events (each event being referred to herein as an “Event of Default”):

8.1.1. if RSA Canada persistently disregards the legislation of Canada or the Province;

8.1.2. if RSA Canada defaults in payment or performance of any of the obligations under this Agreement, or the Promissory Note, or in performing or complying with any covenant, undertaking, condition or obligation contained herein or in any other agreement between RSA Canada and the Department, or if any of the representations and warranties of RSA Canada contained herein or in any other agreement between RSA Canada and the Department are or become untrue;

8.1.3. if Johnson Inc. defaults in performance of any of the obligations under the General Security Agreement or in performing or complying with any covenant, undertaking, condition or obligation contained herein or in any other agreement between Johnson Inc. and the Department, or if any of the representations and warranties of Johnson Inc. contained herein or in any other agreement between Johnson Inc. and the Department are or become untrue;

8.1.4. if any order is made or a resolution passed for the winding-up of RSA Canada or if a petition is filed under the Bankruptcy and Insolvency Act, R.S.C. 1985, c. B-3, as amended or replaced, against RSA Canada or an authorized assignment for the benefit of creditors is made by it or if a receiver or agent is appointed by or on behalf of a secured creditor of RSA Canada or if an application is made under the Companies’ Creditors Arrangement Act, R.S.C. 1985, c. C-36, as amended or replaced, or if a proposal is made by RSA Canada to its creditors under the Bankruptcy and Insolvency Act;

8.1.5. if RSA Canada voluntary commences proceedings for its winding up;

8.1.6. if an encumbrancer, whether permitted or otherwise, takes possession of or seizes any part of the Collateral, or if any process of a court, execution, distress, or
analogue process becomes enforceable or is enforced against any of the Collateral and Johnson Inc. is not instituting proceedings to vacate or lift the said execution, distress or court process;

8.1.7. if RSA Canada terminates, abandons or ceases or threatens to terminate, abandon or cease to carry on its business, commits any act of bankruptcy, becomes insolvent, proposes a compromise or arrangement to its creditors or makes an unauthorized sale in bulk of its assets;

8.1.8. if the Department in good faith believes and has commercially reasonable grounds to believe that payment or performance of RSA Canada's obligations under the Agreement is or is about to be impaired or that the Collateral is or is about to be sold, assigned, conveyed or otherwise disposed of, or is or is about to be lost, damaged or destroyed;

8.1.9. the occurrence of loss, theft, damage or destruction of the Collateral not covered by adequate insurance containing a loss payable clause for the protection of the Collateral in the name of the Department;

8.1.10. if the statements of RSA Canada in this Agreement or in any documents provided to the Department for purposes of this Agreement are false in whole or in part;

8.1.11. if the Permitted Companies fail to continue operations in the Province for the Term of this Agreement; and,

8.1.12. if RSA Canada fails to comply with its commitments in sections 5 and 7.

8.2. For greater certainty, and subject to section 7.2 herein, the failure to achieve the Employment Target within the time required by this Agreement is not an Event of Default nor does it obligate the Company to repay the whole of the Funds disbursed.

9. NOTICE OF DEFAULT

9.1. The Department will be required to give notice to RSA Canada, RHL and Johnson Inc. of an Event of Default.

9.2. RSA Canada will give the Department written notice of any Event of Default immediately on the occurrence of such an event.

10. ASSIGNS

10.1. This Agreement is binding upon RSA Canada, its successors, assigns, heirs, executors and administrators according to law and is granted to and for and shall enure to the benefit of the Province and its successors and assigns according to law.

10.2. This Agreement is binding upon Johnson Inc., its successors, assigns, heirs, executors and administrators according to law and is granted to and for and shall enure to the benefit of the Province and its successors and assigns according to law.
10.3. This Agreement shall not be assigned by RSA Canada or Johnson Inc. without the prior written consent of the Minister, which shall not be unreasonably withheld.

12. REPRESENTATIONS AND WARRANTIES

12.1. RSA Canada represents and warrants to the Province that:

12.1.1. RSA Canada is duly incorporated and organized and validly existing in good standing under the laws of Canada.

12.1.2. RSA Canada has the corporate power, capacity and authority to own property and carry out transactions as contemplated in this Agreement.

12.1.3. The execution and delivery by RSA Canada of this Agreement and the consummation of the transactions in the Agreement will not constitute in the violation of, or constitute a default under, or conflict with or cause the acceleration of any obligation of RSA Canada under:

   i. any provisions of the constating documents or bylaws of RSA Canada; or

   ii. any applicable law, statute, ordinance, regulation or rule of Canada or of any country, state, province or territory or any municipal bylaw or ordinance or any order or decree of any court or tribunal to which RSA Canada is subject.

12.1.4. There are no actions, suits or proceedings pending or to the knowledge of RSA Canada threatened against or adversely affecting RSA Canada in any court or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau or agency, Canadian or foreign which might materially affect the financial condition of RSA Canada.

12.2. Johnson Inc. represents and warrants to the Province that:

12.2.1. it is duly incorporated and organized and validly existing in good standing under the laws of Newfoundland and Labrador.

12.2.2. it has the corporate power, capacity and authority to own property and carry out transactions as contemplated in this Agreement.

12.2.3. the execution and delivery by Johnson Inc. of this Agreement and the General Security Agreement and the consummation of the transactions therein will not constitute in the violation of, or constitute a default under, or conflict with or cause the acceleration of any obligation of Johnson Inc. under:

   iii. any provisions of the constating documents or bylaws of Johnson Inc.; or
iv. any applicable law, statute, ordinance, regulation or rule of Canada or of any country, state, province or territory or any municipal bylaw or ordinance or any order or decree of any court or tribunal to which Johnson Inc. is subject.

12.2.4. there are no actions, suits or proceedings pending or to the knowledge of Johnson Inc. threatened against or adversely affecting Johnson Inc. in any court or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau or agency, Canadian or foreign which might materially affect the financial condition of Johnson or the title to the Collateral, which have not been disclosed to the Province.

12.2.5. it has good and marketable title to the Collateral free and clear of any mortgage, charge, pledge, fien or other encumbrance, except as identified prior by RSA Canada in writing to the Department.

12.3. The Province represents and warrants to RSA Canada and Johnson Inc. that:

12.3.1. the Province has the legal power, capacity and authority to perform its obligations as contemplated in this Agreement.

12.3.2. the execution and delivery by, or on behalf of, the Province of this Agreement by the persons executing this Agreement, and the performance by the Province of its obligations under this Agreement have been duly authorized and does not result in the violation of any of the terms and provisions of any agreement to which it is a party or any violation of any law or regulation of Canada or of any province or territory or any municipal bylaw or ordinance or any order or decree of any court or tribunal to which the Province may be subject.

13. DISPUTE RESOLUTION

13.1. All disputes among the Minister and RSA Canada and/or Johnson Inc. arising out of:

13.1.1. this Agreement; or,

13.1.2. the interpretation, application, operation or performance of this Agreement; which cannot be resolved by informal negotiations to the satisfaction of the Parties shall be addressed in the manner set out in this Article.

13.2. All communications and documents exchanged between the Parties during the negotiations referred to above are without prejudice.

13.3. In the event the dispute is unable to be resolved, the Minister, RSA Canada or Johnson Inc. may refer the matter to a court of competent jurisdiction in the Province.

14. CONTACT INFORMATION

14.1. Any written notice, payment, consents or other documents required or which may be given pursuant to this Agreement (the documents shall be in writing, duly signed by the Party giving the documents and delivered or transmitted by registered mail addressed as follows,
or sent by telex or facsimile (with confirmation of transmission) shall be directed as follows:

14.2. In the case of RSA Canada, addressed to it at:

ROINS Financial Services Limited
18 York Street, Suite 800
Toronto, ON
M5J 2T8
Attention: Director, Legal and Compliance

14.3. In the case of Johnson Inc., addressed to it at:

Johnson Inc.
c/o ROINS Financial Services Limited
18 York Street, Suite 800
Toronto, ON
M5J 2T8
Attention: Director, Legal and Compliance

With copy to:

Johnson Inc.
10 Factory Lane
St. John’s, NL
A1C 6H5
Attention: Director, Legal and Compliance

14.4. In the case of RHL, addressed to it at:

ROINS Holding Limited
c/o ROINS Financial Services Limited
18 York Street, Suite 800
Toronto, ON
M5J 2T8
Attention: Director, Legal and Compliance

14.5. In the case of the Province, addressed to it at:

Department of Business, Tourism, Culture and Rural Development
Government of Newfoundland and Labrador
Attention: Director Business Analysis
P.O. Box 8700
2nd Floor West Block, Confederation Building
St. John’s, NL A1B 4J6
Fax: 709-729-5124

14.6. Any document so given shall, unless couriered or hand delivered, be deemed to have been received on the second business day following the date of mailing, if sent by registered mail, on the first business day following the date of transmission, if sent by telecopier. If the postal system is disrupted by labour strife, any payment shall be
couriered or hand delivered and any other document shall be couriered or hand delivered
or sent by telex. Any Party may from time to time by notice given as provided above
change its address or contact for service of documents.

15. AMENDMENTS, WAIVER

15.1. No provision in this Agreement may be amended in any respect except in writing, and
signed by an authorized representative of the Parties.

15.2. Waiver by a Party of any right under this Agreement in a given instance or failure to
enforce any provision in a given instance shall not operate thereafter as a waiver of that
right or that provision or of any other right or provision in this Agreement. Unless a waiver
is executed in writing, that Party will be entitled to seek any remedy that it may have under
this Agreement or at law generally.

16. GENDER AND NUMBER

16.1. The use in this Agreement of the neuter gender includes the masculine and the feminine;
the use of the plural includes the singular; the use of the singular includes the plural.

17. COSTS AND EXPENSES

17.1. Any sums paid by the Department for maintenance of the Collateral, insurance premiums,
or legal fees, as well as any other sums payable by RSA Canada which the Department
decides it should itself pay or which the Department pays pursuant to the terms of this
Agreement (otherwise than in the form of an advance) or to protect its security, shall be
payable or repayable forthwith by RSA Canada, without any notice, and shall bear interest
at the rate of 3% from the date of the payment of such sums by the Department.

18. FURTHER ASSURANCES

18.1. The Parties shall with reasonable diligence do all things and provide all reasonable
assurances as may be required to consummate the transactions contemplated by this
Agreement, and each Party shall provide those further documents or instruments required
by any other Party as may be reasonably necessary or desirable to effect the purpose of
this Agreement and to carry out its provisions, whether before or after the commencement
hereof.

19. RIGHTS

19.1. Except as specifically set forth or referred to in this Agreement, nothing herein, expressed
or implied, is intended or shall be construed to confer on or give any person, other than the
Parties and their respective successors and assigns, any rights or remedies under or by
reason of this Agreement.

19.2. All rights and remedies of the Department arising out of this Agreement are cumulative,
with the result that the exercise of one of them by the Department does not deprive it of the
ability to exercise any of the others.
20. MONEY

20.1. All dollar amounts referred to in this Agreement are in Canadian funds unless otherwise stated.

21. GOVERNING LAW

21.1. This Agreement and its provisions shall be construed and enforced in accordance with the laws in effect in the Province of Newfoundland and Labrador and laws of Canada having application, excepting and to the extent as may be otherwise stipulated by this Agreement.

21.2. The Company and Johnson Inc. irrevocably submit and attorn to the exclusive jurisdiction of the courts of Newfoundland and Labrador, but nothing shall prevent the Minister from enforcing this Agreement or any related judgment against the Company or Johnson Inc. in any other jurisdiction.

21.3. RSA Canada and Johnson Inc. agree to ensure adherence, during the term of this Agreement, with any federal, provincial or municipal laws or regulations having application.

22. SEVERABILITY

22.1. In the event that any provision of this Agreement is declared to be invalid or unenforceable by any court of competent jurisdiction, the invalidity or unenforceability of such provision shall not affect the validity or enforceability of any other provision and the remainder of this Agreement shall be read as if the offending provision were severed from the whole and the Agreement given effect.

23. FACSIMILE TRANSMISSION

23.1. This Agreement may be transmitted by facsimile or such similar device and the reproduction and transmission of signatures by facsimile or such similar device shall be deemed to be a valid execution and delivery of this Agreement and each Party undertakes to provide the other Party with a copy of this Agreement bearing original signatures as soon as possible after delivery of the facsimile copy.

24. EXECUTION IN COUNTERPARTS

24.1. This Agreement, and any document supporting or supplemental to this Agreement, may be executed in one or more counterparts, each of which so executed will constitute an original and all of which together will constitute one and the same agreement.

25. NO SET OFF

25.1. The Parties agree that the entitlement of the Province to any payment under this Agreement shall not be subject to any abatement, reduction, set-off, defense, counterclaim or recoupment of any amount due or alleged to be due by reason of any past, present or future claims against the Province by RSA Canada, except as may be provided for in this Agreement.
26. IMPOSSIBILITY OF PERFORMANCE AND INTERRUPTIONS

26.1. No Party shall be held liable or deemed to be in default under this Agreement if the performance or observance of its obligations is prevented or delayed by any circumstances beyond its reasonable control including, but not limited to, an act of God, warlike operations, riot, other industrial or trade dispute, fire, flood, tempest, failure of telecommunications facilities, unavoidable accident or act of Government, courts or regulatory authorities, or any delay in Governmental approvals required in respect of the subject matter herein.

27. INDEMNITY

27.1. RSA Canada shall indemnify and hold the Province harmless from and against and in respect of any and all direct loss or damage, including costs, charges and expenses, based on or arising out of:

27.1.1. any inaccuracy in or breach of any representation or warranty made by RSA Canada in this Agreement or in any certificate, agreement or other document specifically required to be delivered by RSA Canada under this Agreement; or

27.1.2. any failure to duly perform or observe any provision, covenant, agreement or condition under this Agreement required on the part of RSA Canada to be performed or observed; or

27.1.3. any claims, demands, or actions by any present or former director, officer or employee of RSA Canada in respect of any matter existing at or prior to the commencement of this Agreement.

28. RIGHTS NON-EXCLUSIVE

28.1. The rights and benefits provided to the Parties in this Agreement shall be supplemental to any other rights, actions or causes of action which the Party may have or obtain in or in connection with any other provision in this Agreement or otherwise.

29. HEADINGS

29.1. Headings are provided for ease of reference only and shall not be used to lend interpretation to any respective provision of this Agreement.

30. COMMUNICATIONS

30.1. Neither RSA Canada, Johnson Inc. nor the Province shall engage in communications related to the Project or this Agreement in the nature of press releases or public announcements without prior consultation and coordination with the other parties to the Agreement.

30.2. The Parties to the Agreement agree to make best efforts make best efforts to work with each other to facilitate any announcements related to the approved funding in a timely manner.
31. NECESSARY AUTHORIZATION

31.1. The Parties hereby represent that they have respectively obtained all necessary authorizations to conclude the transactions contemplated by this Agreement and that the Agreement has been executed by their duly authorized representatives.

32. DEBTS DUE THE PROVINCE

32.1. Any amount owed to the Province under this Agreement will constitute a debt due to the Province that RSA Canada agrees to reimburse to the Province forthwith on demand. In the case of an Event of Default for which the Province makes a demand for payment or repayment, interest shall accrue on such amounts at a rate of 3% on an annual basis from the date of demand.

33. NO AGENCY

33.1. No provision of this Agreement and no action by the Parties will establish or be deemed to establish a partnership, joint venture, principal-agent relationship, or employer-employee relationship in any way or for any purpose whatsoever between the Province and RSA Canada or among the Province, RSA Canada and a third party.

34. NO AUTHORITY TO REPRESENT

34.1. Nothing in this Agreement is to be construed as authorizing any third party to contract for, or to incur any obligation on behalf of, a Party or to act as agent for a Party.

35. TIME OF THE ESSENCE

35.1. Time shall be and shall continue to be of the essence of this Agreement.

36. SURVIVAL

36.1. Provisions concerning the Parties’ rights and obligations which by the content of the provision operate after termination or which are necessary to enforce any right after termination will survive such termination of this Agreement. Without limiting the generality of the foregoing, Sections 25, 27 and 32 shall survive this Agreement.

37. APPLICATION OF ACCESS TO INFORMATION LEGISLATION

37.1. The Parties acknowledge that the Province is subject to access legislation. This Agreement and all Confidential Information provided hereunder therefore are subject to the provisions of the Access to Information and Protection of Privacy Act, S.N.L. 2002, c. A-1.1 (as amended) and all attendant obligations therein.

38. ENTIRE AGREEMENT

38.1. This Agreement together with Annexes A and B and any subsequent amendments attached hereto and hereby made a part hereof, the General Security Agreement, the Guarantee and the Promissory Note constitute the entire and final Agreement among the
Parties and rescind any other agreements, convention, representation, discussions or commitment, whether verbal or in writing, agreed upon by the Parties prior to signing this Agreement.

[remainder intentionally blank, signature page to follow]
SIGNED, SEALED AND DELIVERED on the day and year first before written.

HER MAJESTY IN RIGHT OF NEWFOUNDLAND AND LABRADOR

MINISTER or authorized representative

ROINS Financial Services Limited

Name: ___________________________ Name: ___________________________
Title: ___________________________ Title: ___________________________
Johnson Inc.

Name: ___________________________ Name: ___________________________
Title: ___________________________ Title: ___________________________
Annex A – Project

(i) Project Description:
Funding has been approved under the Investment Attraction Fund to assist RSA Canada with hiring approximately 312 incremental employees, equivalent to 1,200 PYE over five consecutive years of operations, beginning January 1, 2015, by Johnson Inc., RSA Travel Insurance Inc., Royal & Sun Alliance Insurance Company of Canada, Unifund Claims Inc., Unifund Assurance Company, or such other subsidiaries, affiliates, or associated or related corporations of RSA Canada as may be permitted by RSA Canada to participate in the Project;

(ii) Project Location:
Newfoundland and Labrador

(iii) Project Costs: 35(1)(g), 39(1)(a)(ii), 39(1)(b), 39(1)(c)(i), 39(1)(c)(ii)

The Government will contribute up to a maximum of $6,500,000 towards Eligible Costs (wages and salaries of eligible incremental employees hired as a result of this Project, as defined within this Contribution Agreement). The funds will be disbursed as follows, in accordance with the conditions specified below.

<table>
<thead>
<tr>
<th>Disbursement Period</th>
<th>Disbursement Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 1, 2014 – March 31, 2015</td>
<td>$3,000,000</td>
</tr>
<tr>
<td>April 1, 2015 - March 31, 2017</td>
<td>$3,500,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$6,500,000</strong></td>
</tr>
</tbody>
</table>

Conditions

- $3,000,000 will be disbursed in the form of an advance during the 2014-2015 fiscal year. 50% of the Eligible Costs for Accepted Claims by the Permitted Companies will be first applied against this advance at a rate of 50% of the Eligible Costs incurred until the advance has been fully accounted for.
- After the advance has been fully accounted for in accordance with the paragraph directly above, the Department will there after disburse Funds only as claims are submitted, up to an additional $3,500,000, for total funding to a maximum of $6,500,000. These Funds will also be disbursed at a rate of 50% of the Eligible Costs incurred.
• Prior to disbursements of Funds, compliance with the terms and conditions precedent for financing will be verified for satisfactory completion (as set out in the Contribution Agreement).
• The Claims Adjuster roles, as outlined in RSA Canada's hiring plan, will be ineligible for reimbursement under this Agreement. However, the PYEs generated by the positions will be deemed eligible for the purposes of achieving the Employment Target.

Annex B – Repayment Schedule

Conditionally Repayable Loan

Subject to the Company’s compliance with all other conditions set forth in this Agreement, repayment of the Loan to a maximum of $6,500,000 will not be required if, within 30 days of March 31, 2020, the Company provides the Supporting Documents to the Department to confirm achievement of the Employment Target.

In the event the Company fails to achieve the Employment Target, it shall be liable to repay to the Province the obligation of $5,417 for each PYE the Company fails to create. Payment will be provided to the Province within 90 days of March 31, 2020. Such payment shall constitute a debt due the Crown.