

The logo for Definity, featuring the word "definity." in a white, lowercase, sans-serif font, centered within a blue square. This square is positioned in the lower-left corner of a larger, dark blue L-shaped graphic that occupies the top-left portion of the page.

definity.

NOTICE OF ANNUAL AND SPECIAL MEETING
of Shareholders and Management Information Circular

2024

MEETING TO BE HELD **MAY 17, 2024**

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Dear fellow shareholders,

On behalf of the Board of Directors and Executive Leadership Team of Definity Financial Corporation, we are pleased to invite you to join us at the 2024 Annual and Special Meeting of Shareholders (“Meeting”) of the Company that will take place on May 17, 2024 at 10:00 a.m. (Eastern time).

We will hold the Meeting in a virtual-only format, which will be conducted via webcast. You may access the webcast at <http://meetnow.global/MQHNMW6>. Detailed information on how to participate in the Meeting is included in the Management Information Circular.

At the Meeting, you will have the opportunity to obtain information on the Company, ask questions, and vote on matters described in the Circular.

Even if you are planning to attend the Meeting, you should consider voting by proxy in advance to ensure your vote is counted if you later decide not to attend the Meeting or in the event that you are unable to attend the Meeting for any reason. Instructions for voting by proxy in advance are described in the Circular.

Information concerning the consolidated financial statements of the Company for the year ended December 31, 2023 is presented in the 2023 Annual Report, which is available on our website (<http://www.definity.com/annualmeetingmaterials>) and on the Company’s SEDAR+ profile at <http://www.sedarplus.ca>.

As valued shareholders, we appreciate and welcome your participation in the Meeting.

Sincerely,

JOHN BOWEY

Chair of the Board of Directors

ROWAN SAUNDERS

President and Chief Executive Officer

April 4, 2024



NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

You are invited to our annual and special meeting of shareholders (the “Meeting”) of Definity Financial Corporation (the “Company”):

Date and Time: May 17, 2024 at 10:00 a.m. (Eastern time)

Place: Virtual-only meeting via webcast at <http://meetnow.global/MQHNMW6>

Business of the Meeting:

1. To receive the consolidated financial statements of the Company for the year ended December 31, 2023, together with the auditor’s report on those statements;
2. To appoint the external auditor;
3. To elect directors;
4. To ratify and approve the Company’s shareholder rights plan (the full text of which is reproduced as Appendix of the Management Information Circular), as described under the section entitled “Resolution to Ratify and Approve the Shareholder Rights Plan;”
5. To approve the non-binding advisory resolution to accept the approach to executive compensation disclosed in the Management Information Circular (the “Circular”); and
6. To transact such other business as may properly be brought before the Meeting and any adjournments or postponements thereof.

Holders of common shares of the Company (“Common Shares”) of record at 5:00 p.m. (Eastern time) on April 4, 2024 (the “Record Date”) are entitled to receive the Notice of the Meeting and will be entitled to vote at the Meeting. On that date, 115,892,700 Common Shares were issued and outstanding. Each holder of Common Shares is entitled to cast one vote per Common Share held. The Meeting will be held in a virtual-only format, which will be conducted via webcast. Detailed information on how to participate in the Meeting is included in the Circular. The Circular and other meeting materials can be accessed at the Company’s website (<http://www.definity.com/annualmeetingmaterials>) or on the Company’s SEDAR+ profile at <http://www.sedarplus.ca>.

Registered shareholders and duly appointed proxyholders (including non-registered shareholders who have duly appointed themselves as proxyholder) will be able to attend the Meeting, submit questions and vote at the Meeting, provided they are connected to the internet and follow the instructions in the Circular. Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but will not be able to submit questions or vote at the Meeting.

Shareholders who wish to appoint someone other than the management nominees identified in the form of proxy or voting instruction form (“VIF”) as proxyholder (including a non-registered shareholder who wishes to appoint themselves as proxyholder to attend the Meeting) must carefully follow the instructions in the Circular and on their form of proxy or VIF. These instructions include an additional step of registering such proxyholder with our transfer agent, Computershare Trust Company of Canada (“Computershare”), after submitting the form of proxy or VIF. If you wish to appoint someone other than the management nominees identified on the form of proxy or VIF to attend and participate at the Meeting as your proxy and vote your Common Shares, you MUST register such proxyholder after having submitted your form of proxy or VIF identifying such proxyholder. Failure to register the proxyholder with Computershare will result in the proxyholder not receiving access to participate in the Meeting and only being able to attend as a guest.

Even if you are planning to attend the Meeting, we encourage shareholders to submit their proxy and vote prior to the Meeting. Proxies must be submitted by no later than 10:00 a.m. (Eastern time) on May 15, 2024 or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays and holidays) before the new date and time set for the Meeting. If you are a non-registered shareholder, please complete and return the VIF provided to you by your broker or other intermediary in accordance with the instructions provided.

By order of the Board of Directors,

MICHAEL PADFIELD

Senior Vice President, General Counsel and Corporate Secretary
April 4, 2024

MANAGEMENT INFORMATION CIRCULAR

GENERAL INFORMATION

Unless the context otherwise requires, the terms “Definity”, “Company”, “we”, “our”, “ours”, “us” or similar terms refer, in respect of all times prior to completion of the demutualization (the “Demutualization”) of Definity Insurance Company (formerly known as Economical Mutual Insurance Company) (“Definity Insurance”), to Definity Insurance and its consolidated subsidiaries, including Definity Financial Corporation, and, in respect of all times upon or after the completion of the Demutualization, to Definity Financial Corporation and its consolidated subsidiaries, including Definity Insurance. All dollar amounts in this Circular are in Canadian dollars. Certain totals, subtotals, and percentages may not reconcile due to rounding. The information contained in this Management Information Circular (the “Circular”) is given as of April 4, 2024, except where otherwise noted. All diversity-related information in this Circular concerning directors, members of management, or employees of the Company have been collected on the basis of self-identification. All references in this Circular to websites are for information only and information contained on such websites do not form a part of this document.

This Circular may contain forward-looking statements, as indicated by words such as “believe”, “anticipate”, “intend”, “estimate”, “expect”, “may”, “project”, “will”, “would”, and similar expressions. Those statements are based on our current expectations and are naturally subject to uncertainty and changes in circumstances that may cause actual results or events to differ materially from those expressed or implied by such forward-looking statements. Factors that may cause such differences include but are not limited to economic, business, technological, competitive, governmental, legislative, regulatory, and public health factors, including the occurrence of and response to public health crises and ensuing events. We do not undertake and have no intention to update or alter any of our forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by law.

NON-GAAP FINANCIAL MEASURES

We use both International Financial Reporting Standards (“IFRS”) and non-IFRS financial measures to assess our performance. Non-IFRS financial measures used in the Circular include combined ratio, gross written premium, operating net income, and operating return on equity, and do not have standardized meanings prescribed by IFRS and may not be comparable to similar measures used by other companies in our industry. For additional information on the non-IFRS measures included in the Circular, please refer to “13 – Supplementary Financial Measures and Non-GAAP Financial Measures and Ratios” of the Company’s management’s discussion and analysis (“MD&A”) for the year ended December 31, 2023, which is incorporated by reference herein, together with the consolidated financial statements of the Company for the year ended December 31, 2023 and the auditor’s report on those statements, which are available on SEDAR+ (www.sedarplus.ca).

NOTICE AND ACCESS

As permitted by the Canadian Securities Administrators, we are using the notice and access rules to deliver the Circular to our registered and non-registered (beneficial) shareholders (“Notice and Access”). We are also using Notice and Access to deliver our 2023 Annual Report to our non-registered (beneficial) shareholders. Notice and Access allows the Company to post the Circular and other relevant materials online instead of mailing them out to each shareholder, saving printing and mailing costs and allowing us all to lessen our impact on the environment by reducing the Company’s paper consumption, transportation and associated waste.

Under Notice and Access, shareholders will receive a notice, along with the proxy or VIF, giving instructions on how to access the Circular and other relevant materials (including the 2023 Annual Report) online, and how to request a paper copy of the Circular free of charge.

In accordance with Notice and Access, the Circular and the 2023 Annual Report are available online on SEDAR+ (www.sedarplus.ca) and on the Company’s website (www.definity.com/annualmeetingmaterials).

You may request a paper copy of the Circular or 2023 Annual Report up to one year from the date the Circular was filed on SEDAR+ as follows:

| Before the Meeting: | | After the Meeting: |
|-----------------------------|---|--|
| Registered shareholders | Request materials by calling Computershare toll free, within North America, at 1-866-962-0498, or direct, from outside of North America, at (514) 982-8716, and entering your control number as indicated on your proxy. | Contact Definity Financial Corporation, 111 Westmount Road South, P.O. Box 2000, Waterloo, Ontario, N2J 4S4, or call toll free, within North America, at 1-866-902-4724. |
| Non-registered shareholders | Request materials by calling Broadridge Investor Communications Solutions toll free, within North America, at 1-877-907-7643, or direct, from outside of North America, at (905) 507-5450, and entering your control number as indicated on your VIF. | |

To receive the meeting materials prior to the voting deadline and the date of the Meeting, Computershare must be contacted by no later than 5:00 p.m. (Eastern time) on May 3, 2024. A copy of the requested documents will be sent to you at no cost. If you request a paper copy of any materials, you will not receive a new form of proxy or VIF, so you should keep the original form sent to you in order to vote.

ACCESS TO THE MEETING

The Meeting will be held in a virtual-only format via webcast. You will not be able to attend the Meeting in person. You will be able to attend the Meeting by accessing the webcast at <http://meetnow.global/MQHNMW6>. For information on how to vote your Common Shares, see “Voting Information”.

VOTING INFORMATION

SOLICITATION OF PROXIES

This Circular and the accompanying form of proxy or VIF are provided in connection with the solicitation of proxies by the management of Definity (“Management”) to be used at the Meeting for the purposes indicated in the Notice of the Meeting, to be held on May 17, 2024 at 10:00 a.m. (Eastern time) via webcast, and at any adjournment or postponement thereof.

WHO IS SOLICITING THE PROXIES?

Employees, officers, directors, and agents of Definity will solicit proxies on behalf of Management. The solicitation of proxies may be done by mail, telephone, fax, or e-mail; in person; or through one or more combinations of those methods. The costs of solicitation will be borne by the Company.

WHO HAS THE RIGHT TO VOTE?

If you hold Common Shares as at the close of business (5:00 p.m., Eastern time) on April 4, 2024 (the Record Date established for receiving the Notice of the Meeting and for voting in respect of the Meeting), you can cast one vote for each Common Share you hold on all matters proposed to come before the Meeting. As at the Record Date, 115,892,700 Common Shares were issued and outstanding. All the matters proposed before the Meeting require approval by a majority of votes cast by shareholders at the Meeting. At least two persons holding, or representing by proxy, at least 25% of the Common Shares entitled to vote constitute a quorum for the transaction of business at the Meeting.

AM I A REGISTERED OR BENEFICIAL SHAREHOLDER?

You are a registered shareholder if your name appears on your share certificate or if you hold your Common Shares through the Direct Registration System. In either case, your name will be shown on the list of shareholders maintained by Computershare. You are a non-registered (beneficial) shareholder if a bank, trust company, securities broker, clearing agency, other financial institution or other intermediary (your “Nominee”) holds your Common Shares on your behalf.

HOW CAN I VOTE?

You have two options to exercise your right to vote:

Option 1 — Voting by Proxy

Voting by proxy means giving someone else (the “proxyholder”) the authority to attend the Meeting and vote for you in accordance with your instructions or as they see fit if you do not specify how you want to vote your Common Shares.

If there are any amendments to the items of business or any other matters that properly come before the Meeting (including where the Meeting will be reconvened if it is adjourned), your proxyholder has the discretion to vote as they see fit, in each instance, to the extent permitted by law whether the amendment or other matter of business that comes before the Meeting is routine or contested.

Late proxies may be accepted or rejected by the Chair of the Meeting at their discretion and the Chair of the Meeting is under no obligation to accept or reject any particular late proxy. The Chair of the Meeting may waive or extend the proxy cut-off without notice.

Shareholders are encouraged to vote in advance of the Meeting as described below. Even if you are planning to attend the Meeting, you should consider voting your Common Shares by proxy in advance to ensure your vote is counted if you later decide not to attend the Meeting or in the event that you are unable to attend the Meeting for any reason.

Registered shareholders

Your package includes a proxy form. You may vote by proxy in the following manner:



Online: Go to www.investorvote.com and follow the instructions. You will need your 15-digit control number located on your proxy form;



By Mail: Complete, sign and return the proxy form by mail in the envelope provided; or



By Telephone: Call Computershare toll free at 1-866-732-8683. You will need your 15-digit control number located on your proxy form.

Proxies must be submitted by no later than 10:00 a.m. (Eastern time) on May 15, 2024 or, if the Meeting is adjourned or postponed, no later than 48 hours (excluding Saturdays and holidays) before the new date and time set for the Meeting.

Non-registered shareholders

If you are a non-registered shareholder, the Company will not have any record of your ownership and the only way that you can vote your Common Shares is by instructing your Nominee. Your Nominee can only vote your Common Shares if they have received proper voting instructions from you. If you are a non-registered shareholder, your package includes a VIF. Complete the VIF and follow the return instructions on the form. The VIF is similar to a proxy form; however, it can only instruct your Nominee how to vote your Common Shares. You cannot use the VIF to vote your Common Shares directly.

Your Nominee is required to receive voting instructions from you before voting your Common Shares. Every Nominee has their own mailing procedures and instructions for returning the completed VIF, so be sure to follow the instructions provided on the VIF to ensure that your Common Shares are voted at the Meeting.

Option 2 – Voting at the Meeting

To participate in the Meeting, you will need to log in following the instructions below. You should allow at least 15 minutes before the beginning of the Meeting to check in to the Meeting and complete the check-in procedures.

As described below, registered shareholders and duly appointed proxyholders (including non-registered shareholders who have duly appointed themselves as proxyholder) that attend the Meeting will be able to vote by completing a ballot online during the Meeting. Guests (including registered shareholders who do not have a 15-digit control number, and non-registered shareholders who do not have an invite code provided by Computershare, as described below) will only be able to listen to the Meeting, and will not be able to vote or submit questions.

You will need to be connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting.

Registered shareholders

If you want to attend and vote at the Meeting, you do not need to complete or return your proxy form. At least 15 minutes before the beginning of the Meeting, login online at <http://meetnow.global/MQHNMW6>, click on Shareholder, and enter the 15-digit control number that appears on your form of proxy. Any vote you cast at the Meeting will revoke any proxy you previously submitted. If you do not wish revoke a previously submitted proxy, you should not vote during the Meeting or you should enter the Meeting as a guest.

Non-registered shareholders

Non-registered shareholders **MUST** follow the instructions below in order to be able to attend, ask questions or vote at the Meeting. Otherwise, you will only be able to attend as a guest.

1. You must appoint yourself as proxyholder by printing your name in the space provided on the VIF and following the instructions provided to submit the VIF.
2. After submitting your VIF, you must also register with Computershare at <http://www.computershare.com/definity> by no later than 10:00 a.m. (Eastern time) on May 15, 2024 in order to receive an invite code specifically for voting at the Meeting. Registering yourself is an additional step for a non-registered shareholder once you have submitted your VIF. Failure to register yourself will result in you not receiving an invite code to participate in the Meeting.
3. At least 15 minutes before the beginning of the Meeting, login online at <http://meetnow.global/MQHNMW6>, click on Invitation and enter your invite code as provided by Computershare (see step 2 above).

If you are a non-registered shareholder in the United States, to attend, ask questions or vote at the Meeting, you must first obtain a valid legal proxy form from your broker, bank or other agent and then register in advance to attend the Meeting. To register, you must submit a copy of your legal proxy to Computershare by e-mail at USLegalProxy@computershare.com or by mail at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, and in both cases, requests for registration must be labelled as "Legal Proxy" and be received no later than 10:00 a.m. (Eastern time) on May 15, 2024. You will receive a confirmation of your registration by e-mail. Please note that you are also required to register your appointment at <http://www.computershare.com/definity>.

HOW DO I APPOINT SOMEONE ELSE TO ATTEND THE MEETING AND VOTE AT THE MEETING?

The proxyholders designated in the form of proxy and VIF are directors and/or officers of the Company. **You have the right to appoint a person or company to represent you at the Meeting other than the persons designated in the form of proxy or VIF.** If you wish to appoint a proxyholder other than one of the persons designated in the form of proxy or VIF, you can do so whether you are a registered shareholder or a non-registered shareholder, as follows:

1. You must indicate the name of your proxyholder in the blank space provided in the proxy form or VIF and follow the instructions for submitting such proxy form or VIF; and
2. After submitting your proxy form or VIF, you **MUST** also register your proxyholder with Computershare at <http://www.computershare.com/definity> by no later than 10:00 a.m. (Eastern time) on May 15, 2024, so that Computershare may provide the proxyholder with an invite code via e-mail. Registering your proxyholder is an additional step once you have submitted your proxy form or VIF. Failure to register the proxyholder will result in the proxyholder not receiving an invite code to participate in the Meeting.

The person you appoint does not need to be a shareholder but must attend the Meeting to vote your Common Shares. If the shareholder is a corporation, an estate or a trust, the form of proxy or VIF must be executed by a duly authorized officer or a representative thereof. You may enter your voting instructions by following the instructions indicated on the front and back of the form of proxy or VIF.

HOW CAN I ASK QUESTIONS DURING THE MEETING?

Registered shareholders and duly appointed proxyholders (including non-registered shareholders who have duly appointed themselves as proxyholder) that attend the Meeting will be provided with an opportunity to submit questions through the web portal during the Meeting. The Chair of the Board and other members of Management present at the Meeting will answer questions relating to matters to be voted on during the formal portion of the Meeting, if applicable. General questions will be addressed by them following the close of the Meeting after the formal business has been concluded.

Out of consideration for others, registered shareholders and duly appointed proxyholders are asked to be brief and concise and to address only one topic per question. Questions that are substantially the same will be addressed together as one question.

Shareholder questions are welcome. However, the Company does not intend to address questions that:

- are irrelevant to the Company's operations or to the business of the Meeting;
- are related to non-public information about the Company;
- are repetitions of questions made by other persons;
- include derogatory references;
- relate to an individual concern that is not a matter of interest to shareholders generally, including personal grievances or disputes with the Company;
- are proposals that were not previously submitted properly in accordance with the company's by-laws or the *Canada Business Corporations Act* ("CBCA"); or

- are out of order or not otherwise appropriate as determined by the Chair or Secretary of the Meeting in their reasonable judgment.

For any questions asked but not answered during the Meeting, shareholders may contact the Company as described under “Other Information – Shareholder Engagement”.

In the event of technical malfunction or other problem that disrupts the Meeting, the Chair may adjourn, recess, or expedite the Meeting, or take such other action as the Chair determines is appropriate in light of the circumstances. If registered shareholders and duly appointed proxyholders have difficulties during the registration process or while accessing and attending the Meeting, please contact Computershare toll free at 1-888-724-2416 or at 1-781-575-2748.

HOW YOUR PROXY WILL BE VOTED

Common Shares represented by a proxy form or VIF are to be voted for, against or withheld from voting by the proxyholder designated in the proxy form or VIF as you instruct. If no instructions are given, the voting rights will be exercised by any designated proxyholder who is a director and/or officer of the Company by voting as follows:

- **FOR** the appointment of the external auditor;
- **FOR** the election of each proposed director nominated by Management;
- **FOR** the ratification and approval of the Company’s shareholder rights plan; and
- **FOR** the approval of the non-binding advisory resolution of the shareholders to accept the approach to executive compensation disclosed in the Circular.

The proxy form or VIF confers on the designated proxyholder discretionary authority with respect to any proposed amendments or variations to the matters set out therein and any other business which may properly come before the Meeting. As of the date of this Circular, Management is not aware of any amendment or other matter which may properly come before the Meeting.

HOW DO I REVOKE MY PROXY?

Registered shareholders can revoke a proxy:

- in advance of the Meeting, (i) by voting again online (before 10:00 a.m. (Eastern time) on May 15, 2024), or (ii) by delivering a written notice to that effect signed by them or their duly authorized representative(s) to the head office of Definity at 111 Westmount Road South, P.O. Box 2000, Waterloo, Ontario, N2J 4S4, Attention: Corporate Secretary, in each case no later than 5:00 p.m. (Eastern time) on May 16, 2024, or if the Meeting is adjourned, by 5:00 p.m. (Eastern time) one business day before any continuation thereof after an adjournment;
- on the day of the Meeting, (i) by delivering a written notice to that effect signed by them or their duly authorized representative(s) to the Chair of the Meeting (including a continuation thereof after an adjournment), or (ii) if you have followed the process for attending and voting at the Meeting (see above), by voting at the Meeting; or
- in any other manner permitted by law.

If the shareholder is a corporation, estate or trust, the form of proxy or notice, as applicable, must be executed by an officer or a representative thereof duly authorized in writing by a resolution, a certified copy of which must be attached to the notice.

Non-registered shareholders should contact their Nominee for instructions on how to revoke previously-given voting instructions. A Nominee may not be able to revoke voting instructions if it receives insufficient notice of revocation.

WHO IS PROCESSING THE VOTES?

Computershare counts and tabulates the votes on our behalf. We will file the voting results on SEDAR+ (www.sedarplus.ca) following the Meeting.

OTHER INFORMATION

The Meeting date may be postponed by resolution of the board of directors of Definity (the “Board”) until a later date and time. If that happens, notice of the changed date and time will be provided as required by law. All proxies properly submitted for the Meeting will continue to be valid for the postponed Meeting unless they are otherwise properly revoked. The deposit date for proxies to be voted at the postponed Meeting will be extended in the manner provided in the notice of the postponed Meeting.

The Company has an authorized share capital consisting of an unlimited number of Common Shares and an unlimited number of preferred shares. To the best of our knowledge, other than Healthcare of Ontario Pension Plan Trust Fund (“HOOPP”) and Swiss Re Ltd. and its subsidiary, Swiss Re Investments Holding Company Ltd. (together, “Swiss Re”), no other person or company beneficially owns or exercises control or direction over, directly or indirectly, more than 10% of the voting rights attached to our Common Shares. As of the date of this Circular, to the best of our knowledge, HOOPP owns 23,062,646 Common Shares, representing approximately 19.9% of the issued and outstanding Common Shares, and Swiss Re owns 11,647,217 Common Shares, representing approximately 10.05% of the issued and outstanding Common Shares.

Normal course issuer bid

On May 29, 2023, the Company announced a normal course issuer bid (“NCIB”) permitting to purchase for cancellation, during the 12-month period that began on May 31, 2023 and ending on May 30, 2024, up to 3,476,781 Common Shares, representing approximately 3% of its issued and outstanding Common Shares. As of April 4, 2024 there had been no purchases made under the NCIB.

The Company also entered into an automatic purchase plan agreement (the “APP Agreement”) effective on May 31, 2023 with an independent designated broker in order to facilitate purchases of Common Shares at times when Definity would ordinarily not be permitted to purchase Common Shares under the NCIB due to regulatory restrictions or self-imposed blackout periods.

The Company is also permitted to purchase its Common Shares from HOOPP in accordance with an exemption granted by the Toronto Stock Exchange (“TSX”) pursuant to its rules, regulations, and policies in connection with the NCIB in order to maintain HOOPP’s proportionate shareholding percentage at or below 19.9% of the issued and outstanding Common Shares. The maximum number of Common Shares that may be purchased pursuant to the NCIB will be reduced by the number of Common Shares purchased by Definity from HOOPP.

Purchases from HOOPP will be made during the TSX’s Special Trading Session pursuant to an automatic disposition plan agreement between Definity’s broker, Definity and HOOPP (the “ADP Agreement”). Purchases from HOOPP will be made on trading days, as required by the ADP Agreement, that Definity makes a purchase from other shareholders. In the event that HOOPP does not sell Common Shares on any trading day as required by the terms of the ADP Agreement (other than as a result of certain market disruption events), the TSX exemption will cease to apply and Definity will not be permitted to make any further purchases from HOOPP under the terms of the NCIB.

Shareholders may obtain a copy of the NCIB notice filed with the TSX, without charge, by contacting Definity Financial Corporation, 111 Westmount Road South, P.O. Box 2000, Waterloo, Ontario, N2J 4S4, Attention: Corporate Secretary.

BUSINESS OF THE MEETING

ITEM 1 — FINANCIAL STATEMENTS

A copy of the consolidated financial statements of Definity for the year ended December 31, 2023, together with the auditor’s report thereon, is included in our 2023 Annual Report. In accordance with Notice and Access, the Circular and the 2023 Annual Report are available online on SEDAR+ (www.sedarplus.ca) and on the Company’s website (www.definity.com/annualmeetingmaterials). See “General Information – Notice and Access” above. No vote is required at the Meeting in respect of our financial statements or the auditor’s report on those statements.

ITEM 2 — APPOINTMENT OF EXTERNAL AUDITOR

Appointment

Ernst & Young LLP has served as external auditor of Definity Financial Corporation since its incorporation on June 30, 2021 and served as external auditor of certain of our subsidiaries (including Definity Insurance) for more than 10 years. On the recommendation of the Audit Committee, the Board recommends the re-appointment of Ernst & Young LLP as the Company’s external auditor. **If no instructions are given, any designated proxyholder who is a director and/or an officer of the Company will vote FOR the re-appointment of Ernst & Young LLP as our external auditor, to hold office until the next annual meeting of shareholders.**

Pre-Approval Policy for Non-Audit Services

Our Audit Committee has adopted a policy regarding the engagement of audit and non-audit services (the “Pre-Approval Policy”) for the purpose of identifying, mitigating or eliminating potential threats to the independence of the external auditor. The Pre-Approval Policy is reviewed and approved by the Audit Committee triennially or when substantive changes are recommended by Management.

The Pre-Approval Policy prohibits the Company or any of its subsidiary entities from engaging the external auditor to provide certain specified non-audit services. Pursuant to the Pre-Approval Policy, all non-audit services that are not specifically prohibited may be provided to the Company or any of its subsidiary entities by the external auditor if such services have been pre-approved by the Audit Committee.

External Auditor's Fees

The Company has incurred fees by Ernst & Young LLP and its affiliates, as detailed below.

| | Year ended December 31, 2023 | Year ended December 31, 2022 |
|-----------------------------------|------------------------------------|------------------------------------|
| Audit fees ⁽¹⁾ | \$ 1,922,648 | \$ 1,360,869 |
| Audit-related fees ⁽²⁾ | \$ 158,465 | \$ 101,100 |
| Tax fees ⁽³⁾ | \$ 52,555 | \$ 194,457 |
| All other fees ⁽⁴⁾ | \$ 125,845 | \$ 119,900 |
| Total⁽⁵⁾ | \$2,259,513 | \$1,776,326 |

Notes:

⁽¹⁾ Fees for professional services for the audit and review of the financial statements of the company and those of its subsidiaries or other services that are normally provided by external auditors in connection with statutory and regulatory filings or engagements.

⁽²⁾ Fees for assurance related services, including translation services of financial statements and MD&A, employee benefit plan audits, and acquisition related due diligence.

⁽³⁾ Fees for assistance with tax compliance, tax planning, and tax advice, as well as support with tax audits, appeals, and contested tax matters.

⁽⁴⁾ Fees for assistance with review of prospectuses, ESG reporting assurance, tax support and certain other regulatory filings.

⁽⁵⁾ The 2022 amounts have been updated to reflect \$250,100 of additional audit fees billed in 2023 which relate to the year ended December 31, 2022. Certain of the amounts in 2022 have been reclassified to conform to the current year presentation.

The voting results concerning the appointment of the external auditor for last year's annual meeting are set out below:

| Votes FOR | % Votes FOR | Votes withheld | % Votes withheld |
|------------|-------------|----------------|------------------|
| 96,822,422 | 99.85% | 141,456 | 0.15% |

ITEM 3 — ELECTION OF DIRECTORS

Overview

Our by-laws provide that the Board shall consist of a minimum of seven directors and a maximum of 21 directors. The number of directors to be elected at an annual meeting shall be fixed by the Board prior to the annual meeting and has been fixed at 12 for the Meeting.

All nominees listed below under "Director Nominees" are currently members of the Board: John Bowey, Elizabeth DelBianco, Daniel Fortin, Dick Freeborough, Sabrina Geremia, Micheál Kelly, Robert McFarlane, Adrian Mitchell, Susan Monteith, Rowan Saunders, Edouard Schmid and Michael Stramaglia.

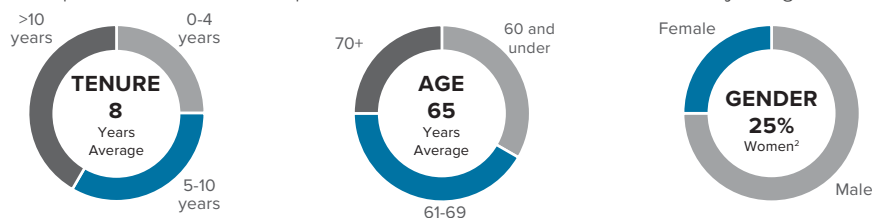
Barbara Fraser is retiring from the Board of Directors and therefore will not be standing for re-election. Ms. Fraser has been a director of the Company since its establishment in 2021, and a director of Definity Insurance Company since 2013. The Company offers its sincere thanks to Ms. Fraser for her important contributions to the progress of the Company, including her most recent service on the Risk Review Committee and the Human Resources and Compensation Committee.

Directors elected at the Meeting will hold office from the close of the Meeting until the next annual meeting or until their successors are elected or appointed. **If no instructions are given, any designated proxyholder who is a director and/or an officer of the Company will vote FOR the election of each proposed director nominee listed below under "Director Nominees".** We expect that all of the nominees will be able to serve as director but if for any reason a nominee is unable to serve, the designated proxyholder will have the right to vote at their discretion for another nominee proposed according to the Company's by-laws and applicable law.

Based on information provided by our directors as to their personal circumstances and the applicable legal tests, all director nominees listed below under "Director Nominees", except Rowan Saunders by virtue of his Management position, have been determined to be independent directors.

Board composition

The tenure¹, age and gender diversity of our Board should all nominated directors be elected is shown below. All of our directors have extensive experience and skills acquired from senior-level involvement in major organizations.



The Board conducts a formal assessment process every other year focused on Board, committee and director effectiveness, which involves the circulation of self-assessment questionnaires, peer review and individual director interviews with the Board Chair and Chair of our Corporate Governance Committee. In the intervening years, the Board Chair and Chair of our Corporate Governance Committee conducts interviews with individual directors and report on key insights and observations to the Corporate Governance Committee and the Board as a whole. The Board also maintains a skills matrix to help identify the competencies and experience it regards as key to the long-term strategic success of the Company. These processes assist the Corporate Governance Committee and the Board in considering the existing and anticipated needs of the Board and its committees in light of the opportunities and risks facing the Company, its strategy, and its succession planning needs.

Board renewal

Board renewal is a key ongoing focus for the Board and the Corporate Governance Committee.

Consistent with our board diversity policy, when identifying candidates to recommend for election to the Board, the Corporate Governance Committee considers diversity factors, along with business experience, functional expertise, personal skills, and integrity, and takes into account the level of diversity on the Board and representation of women, members of visible minorities, members of Indigenous Peoples, persons with disabilities and LGBTQ+, provided that the Company shall maintain a Board in which women and men each represent at least 30% of all directors. The Corporate Governance Committee also takes into consideration our guideline concerning the maximum number of non-Definity boards our directors should serve on. See Appendix A – Statement of Corporate Governance Practices for more details.

The Board and the Corporate Governance Committee have also periodically assessed the overall size of the Board. Having regard to the need to have a board that is large enough to include the requisite expertise and resources but small enough to allow effective decision-making, the Board and the Corporate Governance Committee have fixed the size of the Board at 12 directors.

Pursuant to a governance agreement with HOOPP (the “HOOPP Governance Agreement”), up to two individuals may be nominated by HOOPP for appointment to the Board, and pursuant to a governance agreement with Swiss Re Investments Holding Company Ltd (the “Swiss Re Governance Agreement”), one individual may be nominated by Swiss Re for appointment to the Board. In December 2021, Mr. Schmid was appointed to the Board as a nominee of Swiss Re pursuant to the Swiss Re Governance Agreement and subsequently elected to the Board. In March 2022, Ms. Geremia and Mr. Mitchell were appointed to the Board as nominees of HOOPP pursuant to the HOOPP Governance Agreement and subsequently elected to the Board.

¹ Tenure includes membership on board of directors of Definity Insurance.

² Please see the “Board diversity” section of Appendix A – Statement of Corporate Governance Practices at pages 65-66 below for more details regarding our commitment to Board gender diversity.

Director Nominees

The biographies that follow set out the following information for each director nominee: the year in which they first became a director of the Company; all positions, committees, and offices they hold with the Company; their principal occupation and professional background; other public company board memberships held currently and in the past five years, if any; their age (as of the date of this Circular); their place of residence; their attendance at Board and committee meetings held in 2023; and their Common Share and Deferred Share Unit ("DSU") ownership, including all Common Shares beneficially owned by the director nominee, or over which the director nominee exercises control or direction, directly or indirectly and compliance with the share ownership guidelines as of December 31, 2023. 2023 Annual Meeting Voting Results are listed for each director nominee. All biographical information, not being within our knowledge, has been provided by the relevant director nominee.



JOHN BOWEY
BA, MBA,
FCPA, FCA,
F.ICD

Conestogo, ON, Canada
Age: 76
Independent

Mr. Bowey joined the Board in May 2011. He was appointed Chair of the Board in January 2016 and previously held the position of Vice-Chair.

Mr. Bowey is a retired partner of Deloitte LLP, where he held a number of leadership roles including Managing Partner of Deloitte in Southwestern Ontario and chairman of the board of Deloitte Canada. He was also a member of Deloitte's global board of directors. He currently serves on the boards of Definity Insurance Foundation and Kognitiv Corporation. He is chair of the audit committee of both boards. He is also a past chair of the board of directors of The Princess Margaret Cancer Foundation and a past chair of the board of governors of Wilfrid Laurier University. Mr. Bowey has a BA in Economics from Colby College in Waterville, Maine and an MBA from the Ivey Business School at Western University. He is a Fellow of the Chartered Professional Accountants of Ontario, holds the ICD.D designation, and is a recipient of the Distinguished Governor Award from Wilfrid Laurier University. In 2023, Mr. Bowey was awarded the ICD Fellowship Award by the Institute of Corporate Directors.

Mr. Bowey does not currently serve on any Committee of the Board.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|-------|----------|------|
| Board | 11 of 11 | 100% |
|-------|----------|------|

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

Waterloo Brewing Ltd. (until 2023)

SHARE OWNERSHIP

| Year | Common Shares | Deferred Share Units | Total Value of Common Shares and DSUs (\$)^(1) | Share ownership guideline / compliance deadline |
|------|---------------|----------------------|--|---|
| 2023 | 61,360 | - | 2,303,454 | Met |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------|--------|----------------|------------|
| 96,340,855 | 99.45% | 532,973 | 0.55% |



ELIZABETH DELBIANCO
BA, LL.B., MBA, ICD.D

Toronto, ON, Canada
Age: 64
Independent

Ms. DelBianco joined the Board in March 2013.

Ms. DelBianco is a corporate director and is the former Chief Legal and Administrative Officer at Celestica Inc., a NYSE-listed and S&P/TSX Composite Index company, where she held senior leadership roles from 1998 to 2020. As Chief Legal and Administrative Officer, her portfolio included the legal, human resources, communications, compliance and ESG functions. Ms. DelBianco is a member of Canada's Most Powerful Women: Top 100 Hall of Fame and an Emeritus Member of the Dean's Advisory Council at Queen's Law School. She is the 2020 recipient of the Law Alumni Award of Distinction from Queen's University. Ms. DelBianco holds a BA from the University of Toronto, an LL.B. from Queen's University, and an MBA from the Ivey Business School at Western University. She also holds the ICD.D designation and is called to the bar in Ontario and New York.

Ms. DelBianco is currently Chair of the Human Resources and Compensation Committee and serves on the Corporate Governance Committee.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|--|----------|------|
| Board | 11 of 11 | 100% |
| Corporate Governance Committee | 4 of 4 | 100% |
| Human Resources and Compensation Committee | 4 of 4 | 100% |

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

MindBeacon Holdings Inc. (until 2022)

Great Canadian Gaming Corporation (until 2021)

SHARE OWNERSHIP

| Year | Common Shares | Deferred Share Units | Total Value of Common Shares and DSUs (\$) ⁽¹⁾ | Share ownership guideline / compliance deadline |
|------|---------------|----------------------|---|---|
| 2023 | 28,630 | 4,490 | 1,243,325 | Met |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------|--------|----------------|------------|
| 96,009,560 | 99.11% | 864,268 | 0.89% |



DANIEL FORTIN
B.Eng (Civil),
Hon LLD, ICD.D

Pickering, ON, Canada
 Age: 67
 Independent

Mr. Fortin joined the Board in October 2014.

Mr. Fortin is the former President of IBM Canada with more than 35 years of experience in the technology industry, and 15 years of leadership experience globally. He led IBM in guiding Canadian organizations through digital transformations to better compete in national and global markets. During his time at IBM, he also held a number of senior executive positions at the North American and global levels. Mr. Fortin is board chair of Foresters Financial and former chair of Evok Innovations, a venture capital fund focused on clean technology. Throughout his career, Mr. Fortin has been active on a number of non-profit boards and associations, including The Conference Board of Canada, and he is the former chair of the United Way Toronto campaign, World Vision Canada and Carleton University's board of governors. Mr. Fortin holds a Bachelor of Civil Engineering and an honorary doctorate from Carleton University in Ottawa. He also holds the ICD.D designation.

Mr. Fortin currently serves on the Human Resources and Compensation Committee and the Risk Review Committee.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|--|----------|------|
| Board | 11 of 11 | 100% |
| Human Resources and Compensation Committee | 4 of 4 | 100% |
| Risk Review Committee | 4 of 4 | 100% |

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

None

SHARE OWNERSHIP

| Year | Common Shares | Deferred Share Units | Total Value of Common Shares and DSUs (\$)^(1) | Share ownership guideline / compliance deadline |
|------|---------------|----------------------|--|---|
| 2023 | 22,720 | - | 852,909 | Met |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------|--------|----------------|------------|
| 96,845,992 | 99.97% | 27,836 | 0.03% |



DICK FREEBOROUGH
FCPA, FCA, ICD.D

Oakville, ON, Canada
Age: 81
Independent

Mr. Freeborough joined the Board in February 2012.

Mr. Freeborough is a corporate director who brings considerable insurance industry experience, financial expertise, and more than a decade of board leadership. He retired from KPMG LLP in 2004, after 39 years of financial services practice, during which time he was the KPMG Canadian Practice Lead for insurance business. He served on the board of KPMG Canada for six years, including three as deputy chair. Mr. Freeborough also served as a director for RGA Life Reinsurance Company of Canada and the Toronto Mendelssohn Choir. He joined the Actuarial Profession Oversight Board (APOB) in February 2023.

Mr. Freeborough is a Fellow of the Chartered Professional Accountants of Ontario and holds the ICD.D designation.

Mr. Freeborough currently serves on the Audit Committee and on the Human Resources and Compensation Committee.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|--|----------|------|
| Board | 10 of 11 | 91% |
| Audit Committee | 6 of 6 | 100% |
| Human Resources and Compensation Committee | 4 of 4 | 100% |

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

None

SHARE OWNERSHIP

| Year | Common Shares | Deferred Share Units | Total Value of Common Shares and DSUs (\$) ⁽¹⁾ | Share ownership guideline / compliance deadline |
|------|---------------|----------------------|---|---|
| 2023 | 27,010 | - | 1,013,955 | Met |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------|--------|----------------|------------|
| 96,457,013 | 99.57% | 416,815 | 0.43% |



SABRINA GEREMIA
BBA

Toronto, ON, Canada
Age: 50
Independent

Ms. Geremia joined the Board in March 2022.

Ms. Geremia is Vice-President and Country Managing Director for Google Canada, champions digital and AI as a tool to drive productivity and growth for businesses and Canadians. Her team at Google leads the ads partnership with Canada’s most sophisticated businesses and she steers the cross-functional strategic direction of Google in Canada. A digital and global leader, Ms. Geremia has worked at Google UK, Procter & Gamble Italy, Reckitt Benckiser UK, Ask Jeeves UK & Ireland and mobile start up Incirco. Ms. Geremia is a member of the Business Council of Canada and serves on the advisory boards of Catalyst Canada and Rumie. Ms. Geremia was recognized as one of The Globe and Mail’s Best Executives (2022), WCT Woman of the Year (2020) and one of Canada’s WXN top 100 most powerful women (2015). Ms. Geremia holds a BBA from Wilfrid Laurier University and attended the University of Pavia, Italy.

Ms. Geremia currently serves on the Risk Review Committee.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|-----------------------|----------|------|
| Board | 11 of 11 | 100% |
| Risk Review Committee | 4 of 4 | 100% |

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

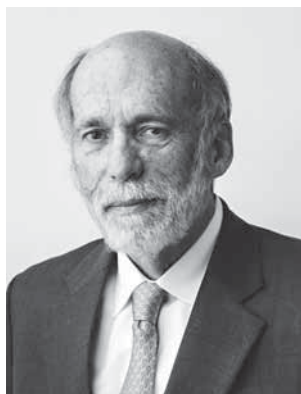
None

SHARE OWNERSHIP

| Year | Common Shares | Deferred Share Units | Total Value of Common Shares and DSUs (\$) ⁽¹⁾ | Share ownership guideline / compliance deadline |
|------|---------------|----------------------|---|---|
| 2023 | - | 7,127 | 267,548 | March 28, 2027 |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------|--------|----------------|------------|
| 96,572,340 | 99.69% | 301,488 | 0.31% |



MICHEÁL KELLY
AB, MA, PhD

Waterloo, ON, Canada
Age: 75
Independent

Dr. Kelly joined the Board in April 2015.

Dr. Kelly is a professor of business strategy at the Lazaridis School of Business and Economics at Wilfrid Laurier University, where he served as Dean from 2012 to 2022. He was previously professor of strategy and global business and Dean (from 2000 to 2010) of the Telfer School of Management at the University of Ottawa. Dr. Kelly is a former chair of the Six Countries Programme, one of Europe's first innovation networks. He has also served on the advisory board of the Silicon Valley Roundtable in Palo Alto, California. He is a past chair of the Canadian Federation of Business School Deans, a past member of le conseil d'administration of ESC Reims Management School in France, the advisory board of the Technical University of Munich's business school, the AGDA Group Strategic Advisory Council, and the boards of the Canada-Israel Industrial Research and Development Foundation and the Canadian Advanced Technology Alliance. He also served as chair of the board of Waterloo North Hydro. He is currently a member of the board of trustees of Assumption University and the Commercialization Advisory Committee of the Ottawa Hospital Research Institute. Dr. Kelly was educated at Assumption University, the University of Ottawa, and Carleton University. He is a recipient of both the Queen Elizabeth II Golden Jubilee and Diamond Jubilee medals. He was the University of Ottawa's Alumnus of the Year in 2016 and Wilfrid Laurier's Honorary Alumnus of the Year in 2023.

Dr. Kelly is currently Chair of the Corporate Governance Committee and serves on the Human Resources and Compensation Committee.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|--|----------|------|
| Board | 11 of 11 | 100% |
| Corporate Governance Committee | 4 of 4 | 100% |
| Human Resources and Compensation Committee | 4 of 4 | 100% |

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

None

SHARE OWNERSHIP

| Year | Common Shares | Deferred Share Units | Total Value of Common Shares and DSUs (\$) ⁽¹⁾ | Share ownership guideline / compliance deadline |
|------|---------------|----------------------|---|---|
| 2023 | 4,090 | 4,385 | 318,152 | Deadline November 23, 2026 |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------|--------|----------------|------------|
| 95,023,262 | 98.09% | 1,850,566 | 1.91% |



ROBERT MCFARLANE
B.COM, MBA, ICD.D, GCB.D

Vancouver, BC, Canada
 Age: 63
 Independent

Mr. McFarlane joined the Board in November 2019.

Mr. McFarlane is a retired financial executive and corporate director. From 1994 to 2000, Mr. McFarlane served as EVP, CFO and Secretary-Treasurer of Clearnet Communications Inc., a former publicly-traded telecommunications company. He then served as EVP and CFO of TELUS Corporation until 2012. Since leaving TELUS, Mr. McFarlane has been active on various corporate and not-for-profit boards. He currently chairs the Information Technology Advisory Council of the University of British Columbia. He was a member of the board of trustees of Queen's University from 2013 to 2022, following which he was awarded the Director Emeritus designation. Mr. McFarlane previously served as a director and chair of the audit, risk and conduct review committee at HSBC Bank Canada, as a director, deputy chair of the board, and chair of the audit and risk committee for Royal & Sun Alliance Insurance Company of Canada, a P&C insurer, as a director, chair of the audit and risk committee, and chair of the special committee at InnVest Real Estate Investment Trust, a former publicly-traded real estate entity, and as a director and chair of the audit committee at Entertainment One Ltd., a former publicly-traded global entertainment studio.

Mr. McFarlane holds a B.Com. from the Smith School of Business at Queen's University, an MBA from the Ivey Business School at Western University and the ICD.D and GCB.D designations.

Mr. McFarlane is currently Chair of the Audit Committee and serves on the Risk Review Committee.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|-----------------------|---------|------|
| Board | 9 of 11 | 82% |
| Audit Committee | 6 of 6 | 100% |
| Risk Review Committee | 4 of 4 | 100% |

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

- HSBC Bank Canada (until 2024)
- Entertainment One Ltd. (until 2019)

SHARE OWNERSHIP

| Year | Common Shares | Deferred Share Units | Total Value of Common Shares and DSUs (\$) ⁽¹⁾ | Share ownership guideline / compliance deadline |
|------|---------------|----------------------|---|---|
| 2023 | 28,630 | 8,662 | 1,399,942 | Met |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------|--------|----------------|------------|
| 96,849,682 | 99.98% | 24,146 | 0.02% |



ADRIAN MITCHELL
B. COM, CFA, ICD.D

Toronto, ON, Canada
 Age: 55
 Independent

Mr. Mitchell joined the Board in March 2022.

Mr. Mitchell is the Senior Managing Director, Public Equities at HOOPP with responsibility for overseeing HOOPP's public equity investment strategies and valuation work. Mr. Mitchell joined the Public Equity team at HOOPP in 2001, was named Vice President, Public Equities in 2018 and was appointed to his current role in 2022. Prior to joining HOOPP, Mr. Mitchell worked at a strategy consulting firm, Scotiabank and Citibank. Mr. Mitchell earned a B.Com. from the University of British Columbia's Sauder School of Business, where he also was a member of the Portfolio Management Foundation program. He holds the Chartered Financial Analyst and Institute of Corporate Directors designations.

Mr. Mitchell currently serves on the Audit Committee and the Corporate Governance Committee.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|--------------------------------|----------|------|
| Board | 11 of 11 | 100% |
| Audit Committee | 6 of 6 | 100% |
| Corporate Governance Committee | 4 of 4 | 100% |

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

None

SHARE OWNERSHIP

| Year | Common Shares | Deferred Share Units | Total Value of Common Shares and DSUs (\$)⁽¹⁾ | Share ownership guideline / compliance deadline |
|-------------|----------------------|-----------------------------|---|--|
| 2023 | – ⁽³⁾ | – ⁽³⁾ | – ⁽³⁾ | Not applicable ^{(2), (3)} |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------------|--------------|-----------------------|-------------------|
| 95,153,902 | 98.22% | 1,719,926 | 1.78% |



SUSAN MONTEITH
LL.B., MSc (Bus), ICD.D

Toronto, ON, Canada
 Age: 67
 Independent

Ms. Monteith joined the Board in January 2018.

Ms. Monteith is a retired senior executive with more than thirty years of experience in roles with leading Canadian financial institutions including CIBC World Markets and National Bank Financial Inc. and has been an advisor to many boards and senior executives of public and private companies over her career. Prior to retiring, she was Executive Vice President & Managing Director of Client Strategy and People Development at National Bank Financial and a member of the Management Committee. Ms. Monteith is a member of the board of trustees of Flagship Communities Real Estate Investment Trust, a TSX-listed real estate investment trust and also serves on the board of Nasdaq CXC Limited and Ensoleillement Inc., which are both wholly-owned subsidiaries of Nasdaq Inc. She is currently a member of the board of Women’s College Hospital and is a past member of cabinet for the United Way of Toronto & York Region, where she co-chaired fundraising for the Women Gaining Ground initiative. She was also a founding board member and part of the advisory council for Women in Capital Markets. Ms. Monteith holds an LL.B. from Osgoode Hall Law School at York University and an MSc in business from London Business School. She also holds the ICD.D designation and was a member of the bar in Ontario.

Ms. Monteith currently serves on the Audit Committee and the Risk Review Committee.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|-----------------------|----------|------|
| Board | 11 of 11 | 100% |
| Audit Committee | 6 of 6 | 100% |
| Risk Review Committee | 4 of 4 | 100% |

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

Flagship Communities Real Estate Investment Trust

SHARE OWNERSHIP

| Year | Common Shares | Deferred Share Units | Total Value of Common Shares and DSUs (\$) ⁽¹⁾ | Share ownership guideline / compliance deadline |
|------|---------------|----------------------|---|---|
| 2023 | 22,710 | 3,354 | 978,443 | Met |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------|--------|----------------|------------|
| 96,845,409 | 99.97% | 28,419 | 0.03% |



ROWAN SAUNDERS
BA, FCIP, CRM

Toronto, ON, Canada
Age: 59
Not Independent

Mr. Saunders is the President and Chief Executive Officer of the Company and joined the Board in November 2016. His extensive background includes over 30 years of international P&C insurance industry experience, holding progressive positions in the areas of underwriting, marketing, sales, group insurance, broker networks and finance. Prior to joining the Company, Mr. Saunders spent 12 years as the President and CEO of Royal & Sun Alliance Insurance Company of Canada, a P&C insurer, and was CEO of its affiliates Johnson Insurance, an insurance intermediary focused on affinity group insurance programs in Canada (for 12 years), and Noraxis Capital Corporation, a network of Canadian insurance brokers (for 10 years). He is the past chairman, a member of the board of directors, and past chair of the audit committee of the Insurance Bureau of Canada, a member of the Business Council of Canada and a member of the boards of EQB Inc. and Equitable Bank.

Mr. Saunders is a past member of the Financial Services Commission of Ontario's CEO Advisory Committee, the board of directors of the Institute for Catastrophic Loss Reduction, and the board of directors of Facility Association. Mr. Saunders holds a BA from York University, as well as a Canadian Risk Management designation, and is a Fellow of the Insurance Institute of Canada.

Mr. Saunders does not currently serve on any Committee of the Board.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|-------|----------|-----|
| Board | 10 of 11 | 91% |
|-------|----------|-----|

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

EQB Inc.

SHARE OWNERSHIP

| Year | Common Shares | Total Value of Common Shares and RSUs (\$) ⁽¹⁾ | Share ownership guideline/ target date |
|------|---------------|---|--|
| 2023 | 357,313 | 11,256,054 | Met |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------|--------|----------------|------------|
| 96,044,071 | 99.14% | 829,757 | 0.86% |



EDOUARD SCHMID
MSc (Physics)

Eglisau, Switzerland
Age: 59
Independent

Mr. Schmid joined the Board in December 2021.

Mr. Schmid is a corporate director with extensive international insurance industry experience. He spent 30 years with Swiss Re, one of the world’s leading providers of reinsurance. After joining Swiss Re in 1991, he quickly progressed to hold various positions of progressive responsibility in Europe and Asia across many domains, including underwriting, risk and actuarial, taking on in May 2012 the role of Head, Property and Specialty Reinsurance. From 2017 to 2020, Mr. Schmid was the Group Chief Underwriting Officer, the chairman of the Swiss Re Institute and a member of the Group Executive Committee of Swiss Re Ltd. Mr. Schmid holds a master’s degree in physics from the Swiss Federal Institute of Technology.

Mr. Schmid currently serves on the Audit Committee and the Corporate Governance Committee.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|--------------------------------|----------|------|
| Board | 11 of 11 | 100% |
| Audit Committee | 6 of 6 | 100% |
| Corporate Governance Committee | 4 of 4 | 100% |

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

New China Life Insurance Company Ltd. (until 2022)
Britam Holdings Plc

SHARE OWNERSHIP

| Year | Common Shares | Deferred Share Units | Total Value of Common Shares and DSUs (\$) ⁽¹⁾ | Share ownership guideline / target date |
|------|---------------|----------------------|---|---|
| 2023 | - | 8,747 | 328,362 | December 21, 2026 ⁽⁴⁾ |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------|--------|----------------|------------|
| 96,074,529 | 99.17% | 799,299 | 0.83% |



MICHAEL STRAMAGLIA
B.MATH, FSA, FCIA, CERA,
ICD.D

Toronto, ON, Canada
 Age: 64
 Independent

Mr. Stramaglia joined the Board in April 2010.

Mr. Stramaglia is a corporate director and is the President and founder of Matric Advisory Group Inc., a risk management consulting firm. Mr. Stramaglia sits on the boards of Foresters Financial, EQB Inc. and Equitable Bank. He also holds the position of Executive in Residence at the Global Risk Institute in Financial Services. He is also chair of the Ontario Internal Audit Committee, an independent advisory committee focused on the governance, risk management, and internal control practices of the Ontario government. Mr. Stramaglia brings many years of experience in executive management positions, including Chief Risk Officer and Executive Vice-President of Investments at Sun Life Financial Inc., and Chief Investment Officer and Executive Vice-President of Reinsurance at Clarica Life Insurance Company, President and CEO of Zurich Life Insurance Company of Canada, and President and Chief Operating Officer of Zurich Financial Services Ltd.'s consolidated Canadian life and P&C insurance operations. Mr. Stramaglia is a qualified actuary and a Chartered Enterprise Risk Analyst. He holds an Honours Bachelor of Mathematics from the University of Waterloo and the ICD.D designation from the Institute of Corporate Directors.

Mr. Stramaglia is currently Chair of the Risk Review Committee and serves on the Corporate Governance Committee.

BOARD AND COMMITTEE MEETING ATTENDANCE FOR 2023

| | | |
|--------------------------------|----------|------|
| Board | 11 of 11 | 100% |
| Corporate Governance Committee | 4 of 4 | 100% |
| Risk Review Committee | 4 of 4 | 100% |

PUBLIC COMPANY BOARD MEMBERSHIPS DURING THE LAST FIVE YEARS

EQB Inc.

SHARE OWNERSHIP

| Year | Common Shares | Deferred Share Units | Total Value of Common Shares and DSUs (\$) ⁽¹⁾ | Share ownership guideline / compliance deadline |
|-------------|----------------------|-----------------------------|--|--|
| 2023 | 13,630 | 4,385 | 676,283 | Met |

2023 ANNUAL MEETING VOTING RESULTS

| Votes For | % For | Votes Withheld | % Withheld |
|------------------|--------------|-----------------------|-------------------|
| 95,035,802 | 98.10% | 1,838,026 | 1.90% |

Notes:

⁽¹⁾ The value of the Common Shares is based on the closing Common Share price on the TSX on December 29, 2023 of \$37.54.

⁽²⁾ In March 2022, Ms. Geremia and Mr. Mitchell were appointed to the Board as nominees of HOOPP pursuant to the HOOPP Governance Agreement. As of December 31, 2023, HOOPP beneficially owned, or controlled or directed, directly or indirectly, 23,062,646 Common Shares (total value of \$865,771,731).

⁽³⁾ Mr. Mitchell did not receive any compensation for acting as a director of the Company or any subsidiary pursuant to a request by Mr. Mitchell, based on his employment with HOOPP.

⁽⁴⁾ In December 2021, Mr. Schmid was appointed to the Board as a nominee of Swiss Re pursuant to the Swiss Re Governance Agreement. As of December 31, 2023, Swiss Re beneficially owned, or controlled or directed, directly or indirectly, 11,450,000 Common Shares (total value of \$429,833,000).

Director Compensation

Our director compensation program is designed to compensate eligible directors for the work required to fulfill their roles, to attract and retain committed and qualified directors and to align their compensation with the long-term interests of the Company's shareholders. Directors who are also employees or officers of the Company or any of our subsidiaries receive no remuneration for acting as a director of the Company or of any subsidiary.

Each of our directors serves on the boards of directors and committees of Definity and those of our insurer subsidiaries (Definity Insurance, Sonnet Insurance Company, and Petline Insurance Company). Currently, the membership and chair designations for our insurer subsidiary boards and their committees are identical to Definity. For example, if a director is Chair of the Audit Committee, that director is also Chair of the audit committees for our insurer subsidiaries. Also, the committees in existence at our insurer subsidiaries are identical to those in existence at Definity.

The table below shows the amounts, before withholdings, provided to our non-management directors for their service on the Board and its committees, and the boards of directors and committees of our subsidiaries, for the 2023 fiscal year.

| Name | Fees Earned (cash) (\$) | Share-based awards (DSUs) (\$) | Option-based awards (\$) | Non-equity incentive plan compensation (\$) | Pension value (\$) | All other compensation (\$) | Total (\$) |
|--------------------------------|-------------------------|--------------------------------|--------------------------|---|--------------------|-----------------------------|------------|
| John Bowey | 350,000.00 | - | - | - | - | - | 350,000.00 |
| Elizabeth DelBianco | 100,000.00 | 100,000.00 | - | - | - | - | 200,000.00 |
| Daniel Fortin | 185,000.00 | - | - | - | - | - | 185,000.00 |
| Barbara Fraser | 92,500.00 | 92,500.00 | - | - | - | - | 185,000.00 |
| Dick Freeborough | 200,000.00 | - | - | - | - | - | 200,000.00 |
| Sabrina Geremia | - | 175,000.00 | - | - | - | - | 175,000.00 |
| Micheál Kelly | 95,000.00 | 95,000.00 | - | - | - | - | 190,000.00 |
| Robert McFarlane | - | 185,000.00 | - | - | - | - | 185,000.00 |
| Adrian Mitchell ⁽¹⁾ | - | - | - | - | - | - | - |
| Susan Monteith | 138,750.00 | 46,250.00 | - | - | - | - | 185,000.00 |
| Edouard Schmid | - | 185,000.00 | - | - | - | - | 185,000.00 |
| Michael Stramaglia | 95,000.00 | 95,000.00 | - | - | - | - | 190,000.00 |

Notes:

⁽¹⁾ Mr. Mitchell did not receive any compensation for acting as a director of the Company or any subsidiary pursuant to a request by Mr. Mitchell, based on his employment with HOOPP.

The Corporate Governance Committee periodically reviews and makes recommendations to the Board regarding the adequacy and form of directors' compensation. Director compensation is assessed against a comparator group of publicly-traded organizations of comparable size, selected based on factors such as revenue, market capitalization and number of business units. Our overall objective is to target total directors' compensation at the median of the comparator group. As a result, director compensation was revised effective January 1, 2022. In 2022, our Board Chair received \$350,000 in respect of service in that capacity, and our non-management directors (other than the Board Chair) received \$165,000 in respect of service in that capacity. The chairs of the Audit Committee and Human Resources and Compensation Committee ("HRCC") received an additional annual retainer of \$25,000, and the chairs of the Corporate Governance Committee and Risk Review Committee received an additional annual retainer of \$15,000. Each non-chair committee member, except the Board Chair who does not receive retainers for serving as a member or chair of a committee during their tenure as Board Chair, received an additional annual retainer of \$10,000 for each committee on which they serve. Director compensation was maintained without modification in 2023.

For 2024, the Corporate Governance Committee reviewed director compensation and assessed it against a revised comparator group. Based upon its recommendation approved by the Board, director compensation was revised effective January 1, 2024 as follows (amounts referenced are per annum):

| | 2023 | 2024 |
|--|------------|------------|
| Annual retainer fee for non-management directors (other than Board Chair) | \$ 165,000 | \$ 180,000 |
| Non-chair committee members | \$ 10,000 | \$ 10,000 |
| Chair of Audit Committee | \$ 25,000 | \$ 30,000 |
| Chair of Human Resources and Compensation Committee | | |
| Chair of Corporate Governance Committee | \$ 15,000 | |
| Chair of Risk Review Committee | | |
| Board Chair | \$350,000 | \$380,000 |

The retainers may be supplemented with additional amounts to compensate for unanticipated workloads and extraordinary contributions, but only after specific consideration and approval by the Board. We will also reimburse our directors for expenses in accordance with our expense reimbursement policy. Further, each non-management director (i) may elect to receive up to 100% of their retainers in the form of DSUs and (ii) is required to receive 50% of their base retainer in the form of DSUs until they achieve the share ownership targets set for directors. See "Director Share Ownership Guidelines".

A DSU is a bookkeeping entry that represents an amount owed by the Company to the Director having the same value as one Common Share of the Company, but that will not be settled until such time as the Director leaves the Board of Directors. Payment of DSUs is made in cash at the time of settlement, equal in amount to the number of DSUs held by the Director multiplied by the closing Common Share price on the TSX as of the date of redemption elected upon the Director's departure from the Board.

DSUs provide a notional ongoing equity stake in the Company, therefore ensuring alignment of the interests of the Directors with those of the shareholders of the Company. Those Directors who elect to receive all or a portion of their compensation in DSUs are credited such amounts on record in quarterly installments.

In addition to their compensation in DSUs, in the event that any cash dividend is declared and paid by the Company on Common Shares, the Directors holding DSUs will be credited with additional DSUs. The number of such additional DSUs is calculated by dividing the total amount of dividends that would have been paid to a Director if their outstanding DSUs had been Common Shares on the dividend record date, by the closing Common Share price on the TSX on the dividend payment dates.

We do not issue stock options or pay meeting fees or travel allowances as part of director compensation.

Director Share Ownership Guidelines

The Board has adopted Share Ownership Guidelines in order to encourage the Company's directors and senior leaders to obtain a significant ownership interest in the Company to better align their interests with those of the Company's shareholders.

Non-management directors can meet share ownership requirements through direct or beneficial ownership of Common Shares and DSUs granted under the directors' DSU plan (the "Directors' DSU Plan").

The Share Ownership Guidelines require each non-management director to acquire and continue to hold during the time they are a non-management director, an amount of equity having a value equal to at least three times (3X) their annual base retainer, that is \$495,000 (\$1.05 million for the Board Chair) based on the 2023 annual base retainer. The ownership requirements for non-management directors must be achieved by the fifth anniversary from the later of (i) November 23, 2021 (the date of the IPO) and (ii) the initial appointment as a non-management director.

| | Common Shares | Deferred Share Units (DSUs) | Total Value of Common Shares and DSUs (\$) ⁽¹⁾ | Compliance with share ownership guideline/target date |
|--------------------------------|---------------|-----------------------------|---|---|
| John Bowey | 61,360 | - | 2,303,454 | Met |
| Elizabeth DelBianco | 28,630 | 4,490 | 1,243,325 | Met |
| Daniel Fortin | 22,720 | - | 852,909 | Met |
| Barbara Fraser | 27,270 | 3,145 | 1,141,779 | Met |
| Dick Freeborough | 27,010 | - | 1,013,955 | Met |
| Sabrina Geremia | - | 7,127 | 267,548 | March 28, 2027 |
| Micheál Kelly | 4,090 | 4,385 | 318,152 | November 23, 2026 |
| Robert McFarlane | 28,630 | 8,662 | 1,399,942 | Met |
| Adrian Mitchell ⁽²⁾ | - | - | - | N/A |
| Susan Monteith | 22,710 | 3,354 | 978,443 | Met |
| Edouard Schmid | - | 8,747 | 328,362 | December 21, 2026 |
| Michael Stramaglia | 13,630 | 4,385 | 676,283 | Met |

⁽¹⁾ The value of the Common Shares is based on the closing Common Share price on the TSX on December 29, 2023 of \$37.54.

⁽²⁾ Mr. Mitchell did not receive any compensation for acting as a director of the Company or any subsidiary pursuant to a request by Mr. Mitchell, based on his employment with HOOPP.

Non-management directors may elect to receive up to 100% of their annual remuneration in the form of DSUs and are required to receive 50% of their base retainer in the form of DSUs until they achieve the share ownership target set out above.

If a non-management director has not achieved or otherwise maintained the equity ownership requirement within the specified time period, then the Corporate Governance Committee has discretion to undertake corrective measures to achieve compliance including, among other measures, requiring such director to participate in the Directors' DSU Plan and receive DSUs in lieu of up to 100% of such director's annual base retainer for purposes of achieving or seeking to achieve compliance with the Share Ownership Guidelines.

ITEM 4 — RESOLUTION TO RATIFY AND APPROVE THE SHAREHOLDER RIGHTS PLAN

On April 4, 2024, the Company entered into a shareholder rights plan agreement (the “Rights Plan”), subject to shareholder approval. Notice for filing of the Rights Plan has been accepted by the TSX and the Rights Plan will continue to be effective if it is ratified and approved by shareholders of the Company at the Meeting. Should the Rights Plan be approved by shareholders at the Meeting, it shall remain in force subject to reconfirmation by the shareholders of the Company at the annual meetings occurring no less frequently than every third year thereafter. If the Rights Plan Resolution (as defined below) is not approved at the Meeting, the Rights Plan and all outstanding Rights (as defined below) will terminate at the conclusion of the Meeting. If the Rights Plan is not reconfirmed by shareholders at the annual meetings of the Company taking place no less frequently than every third year thereafter, then the Rights Plan and all outstanding Rights will terminate at the conclusion of such annual meeting. Approval and reconfirmation of the Rights Plan by shareholders is required by the TSX.

To be effective, the Rights Plan Resolution must be approved by: (i) a simple majority of the votes cast at the Meeting in favour of the Rights Plan Resolution by all shareholders of the Company, whether in person or by proxy; and (ii) a simple majority of the votes cast at the Meeting in favour of the Rights Plan Resolution by the Independent Shareholders (as defined in the Rights Plan), whether in person or by proxy. An “Independent Shareholder” is generally any shareholder other than an “Acquiring Person” (as described further below) and its associates and affiliates, and plans for the benefit of employees of the Company. Other than the employee benefit plan trust (“Definity Trust Plan”) established by the Company to purchase Common Shares of Definity Financial Corporation on the open market for the purpose of the redemption of share units under the Company’s equity compensation plans, as of the date of this Circular, the Company is not aware of any shareholder that would not be considered an Independent Shareholder and it is therefore anticipated that all shareholders other than the Definity Trust Plan will be eligible to vote their Common Shares with respect to the Rights Plan Resolution.

A summary of the Rights Plan is included below and a complete copy of the Rights Plan is attached to this Circular as Appendix.

Purpose

A shareholder rights plan is an effective device to deter accumulations of controlling blocks of shares without paying a premium and to enhance influence regarding the timing and outcome of an unsolicited take-over bid. The basic objectives of the Rights Plan are to deter abusive tactics by making them unacceptably expensive to the unsolicited bidder, to discourage prospective acquirors from accumulating control blocks of Common Shares by means other than by way of offers made to all shareholders, and to encourage prospective acquirors to negotiate with the Board rather than to attempt an unsolicited hostile take-over bid or a creeping bid or accumulation of control (including negative control). The Rights Plan is designed to help ensure that shareholders are treated fairly in connection with any take-over bid made for Definity, provide all shareholders with an opportunity to participate in such a take-over bid and provide the Board with sufficient time to consider and, if appropriate, to develop alternatives for maximizing shareholder value.

The Rights Plan limits acquisitions by a shareholder or a group acting jointly or in concert that would result in the ownership or control of 20% or more of the issued and outstanding Common Shares through means that are exempt from the formal take-over bid rules and to provide shareholders with an opportunity to participate in a take-over bid and receive full and fair value for their Common Shares. To accomplish this, the Rights Plan provides for the issuance to all holders of Common Shares of rights (“Rights”) to acquire additional Common Shares at a significant discount to the then-prevailing market price, which Rights could, in certain circumstances, become exercisable by all holders of Common Shares other than the potential acquiror and its joint actors. **The terms of the Rights Plan are substantially similar to the terms of rights plans adopted by other substantial Canadian issuers.**

The Rights Plan encourages a potential acquiror who makes a take-over bid to proceed either by way of a Permitted Bid (described below), which generally requires a take-over bid to satisfy certain minimum standards designed to promote fairness, or with the concurrence of the Board. If a take-over bid fails to meet these minimum standards and the Rights Plan is not waived by the Board, the Rights Plan provides that holders of Common Shares, other than the acquiror and its joint actors, will be able to purchase additional Common Shares at a significant discount to market, thus exposing the person acquiring securities to substantial dilution of its holdings.

As of the date hereof, Definity is not aware of any pending or threatened take-over bid for the Company and **approval of the Rights Plan is not being proposed in response to any proposal to acquire control of the Company or in anticipation of any pending or threatened take-over bid, nor to deter take-over bids generally.** As per federal regulations, the Company remains subject to a major shareholder restriction period until the four-year period following the Demutualization elapses effective November 23, 2025.

In adopting the Rights Plan, the Company and the Board considered the existing legislative framework governing take-over bids in Canada. The Canadian framework provides for a minimum bid period of 105 days, requires that all non-exempt take-over bids meet a minimum tender requirement of more than 50% of the outstanding securities held by shareholders other than the acquiror, its affiliates and persons acting jointly or in concert with the acquiror, and require a 10-day extension after the minimum tender requirement is met. A target issuer has the ability to voluntarily reduce the minimum bid period to not less than 35 days and the minimum bid period may be reduced due to the existence of certain competing take-over bids or alternative change in control transactions.

As the legislative framework may not apply to take-over bids that are exempt from certain procedural requirements, shareholder rights plans, like the Rights Plan, are useful in protecting against the unequal treatment of shareholders by addressing the following concerns:

- i. Protecting against “creeping bids”, which is the accumulation of 20% or more of shares through purchases exempt from Canadian take-over bid rules, such as (a) purchases from five or fewer shareholders under private agreements at a premium to the market price (not to exceed 115% of the market price, including brokerage fees and commissions), and not available to all shareholders, (b) acquiring control or effective control of not more than 5% of the shares during any 12-month period through the accumulation of shares over a stock exchange or other published market without paying a control premium; (c) acquiring up to 5% of the shares during course of a take-over bid; or (d) through other transactions outside of Canada that may not be jurisdictionally subject to Canadian take-over bid rules, including the requirement that the bid be made to all shareholders; and
- ii. Preventing a potential acquiror from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Rights Plan. This prevents the use of “hard” lock-up agreements by acquirors whereby existing shareholders commit to tender their shares to an acquiror’s take-over bid in lock-up agreements that are either irrevocable or revocable but subject to restrictive termination conditions. Such agreements could have the effect of deterring other potential bidders from bringing forward competing bids, particularly where the number of locked-up shares would make it difficult or unlikely for a competing bidder’s bid to achieve the 50% minimum tender requirement imposed by the take-over bid rules.

The Rights Plan does not preclude any shareholder from using the proxy mechanism of the CBCA, the Company’s governing corporate statute, to promote a change in the management or direction of the Company, and will have no effect on the rights of shareholders to requisition a meeting of shareholders in accordance with the provisions of applicable legislation. Moreover, the Rights Plan does not preclude the acquisition of Common Shares as a result of corporate transactions which are approved by shareholders, including plans of arrangement and amalgamations.

The Rights Plan is not expected to interfere with the day-to-day operations of the Company. Neither the existence of the outstanding Rights nor the issuance of additional Rights in the future will in any way alter the financial condition of the Company, impede its business plans or alter its financial statements. In addition, the Rights Plan is initially not dilutive. However, if a Flip-in Event (described below) occurs and the Rights separate from Common Shares as described below, reported earnings per share and reported cash flow per share on a fully diluted or non-diluted basis may be affected. In addition, holders of Rights not exercising their Rights after a Flip-in Event may suffer substantial dilution.

Board Review

The Board, as part of its analysis in connection with the potential implementation of a shareholder rights plan for the Company, considered matters including (i) developments in shareholder rights plans and securities legislation since amendments to the take-over bid regime were adopted in 2016, (ii) the terms and conditions of rights plans recently adopted by other substantial Canadian public companies, (iii) recent experience involving rights plans in the context of take-over bids, and (iv) the commentary of the investment community on these plans. The Board is satisfied that the Rights Plan is consistent with the latest generation of Canadian rights plans adopted on a non-tactical basis.

It is not the intention of the Board, in recommending the ratification and approval by shareholders of the Rights Plan, to either secure the continuance of the directors or management of the Company or to preclude an acquisition of control of the Company in a transaction that is fair and in the best interests of the Company. The rights of shareholders under existing law to seek a change in management of the Company or to influence or promote action of management in a particular manner will not be affected by the Rights Plan. The Rights Plan provides that shareholders may tender to take-over bids that meet the Permitted Bid criteria. Furthermore, even in the context of a take-over bid that does not meet the Permitted Bid criteria, the Board is always bound to consider any take-over bid for the Company and consider whether or not it should waive the application of the Rights Plan in respect of such bid. In discharging such responsibility, the Board will be obliged to act honestly and in good faith with a view to the best interests of the Company, and the ratification and approval of the Rights Plan does not affect the duty of the Board to comply with these obligations.

SUMMARY OF THE RIGHTS PLAN

The Rights Plan is available under the Company’s profile on SEDAR+ at www.sedarplus.ca and copies are available from the Corporate Secretary at 111 Westmount Road South, P.O. Box 2000, Waterloo, Ontario, N2J 4S4. The following is a summary of the principal terms of the Rights Plan. The summary is qualified in its entirety by reference to the terms of the Rights Plan.

Effective Time and Term

The Rights Plan became effective on April 4, 2024, upon the entering into of the shareholder rights plan agreement. Notice for filing of the Rights Plan has been accepted by the TSX and, under the rules of the TSX, a rights plan must be ratified by shareholders at a meeting held within six months following the adoption of the plan. Pending shareholder approval of the Rights Plan Resolution, the Rights Plan will remain in effect so that its intent is not circumvented prior to the Meeting. All

shareholders will be permitted to vote on ratification and approval of the Rights Plan, other than those holders of Common Shares who are not Independent Shareholders. The Rights Plan will remain in effect subject to ratification and approval at the Meeting, and reconfirmation at the Company's annual meetings occurring no less frequently than every third year thereafter. It will expire upon the conclusion of such an annual meeting where it is not reconfirmed by shareholders or where it is not presented for reconfirmation.

Issue of Rights

One Right was issued and attached to each Definity Common Share outstanding as of 12:01 a.m. Eastern time on April 4, 2024 (the "Effective Time") and will attach to each Definity Common Share issued after the Effective Time and prior to the earlier of the Separation Time (as defined below) and the expiration of the Rights Plan (the "Expiration Time").

Rights Exercise Privilege

The Rights will separate from the Common Shares and will be exercisable for 10 trading days (the "Separation Time") after a person has acquired, or commences an offer to acquire, 20% or more of the Common Shares, other than by an acquisition pursuant to a take-over bid permitted by the Rights Plan. The acquisition by any person (an "Acquiring Person") of more than 20% of the Common Shares, other than by way of a Permitted Bid, is referred to as a "Flip-in Event." Any Rights held by an Acquiring Person will become void upon the occurrence of a Flip-in Event. Ten trading days after the occurrence of the Flip-in Event, each Right (other than those held by the Acquiring Person) will permit the purchase of that number of Common Shares having an aggregate Market Price (as defined in the Rights Plan) on the date of consummation or occurrence of such Flip-in Event equal to twice the Exercise Price (as defined in the Rights Plan) for an amount in cash equal to the Exercise Price. The Exercise price is defined, for the period from and after the Separation Time, as an amount equal to two (2) times the Market Price per Definity Common Share determined as of the Separation Time. For instance, ten trading days after the occurrence of the Flip-in Event, each Right (other than those held by the Acquiring Person), will permit the purchase of \$120 worth of Company's shares for \$40.

Certificates and Transferability

Prior to the Separation Time, the Rights will be evidenced by the applicable certificates for Common Shares or by the applicable book-entry form registration for the associated Common Shares and will be transferable only together with, and will be transferred by a transfer of, such associated Common Shares issued from and after the Effective Time and will not be transferable separately from Common Shares. From and after the Separation Time, the Rights will be evidenced by Rights certificates, which will be transferable and traded separately from the Common Shares.

Permitted Bid Requirements

The Rights Plan is "triggered" when a person acquires or announces its intention to acquire 20% or more of the Common Shares, unless the take-over bid has been conducted in accordance with a stringent set of requirements outlined in the Rights Plan (a "Permitted Bid") or the Rights Plan is waived by the Board.

The requirements for a Permitted Bid include the following:

- The take-over bid must be made to all holders of record of Common Shares, other than the acquiror;
- take-over bid must contain an irrevocable and unqualified condition that no Common Shares will be taken up or paid for:
 - prior to the close of business on a date that is not less than 105 days following the date of the bid, or such shorter minimum period as determined in accordance with section 2.28.2 or section 2.28.3 of National Instrument 62-104 – Take-Over Bids and Issuer Bids ("NI 62-104") for which a take-over bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposits of securities thereunder, in the applicable circumstances at such time, pursuant to NI 62-104, and
 - unless at the close of business on the date Common Shares are first taken up or paid for under such bid, more than 50% of the then outstanding Common Shares held by Independent Shareholders shall have been tendered or deposited pursuant to the bid and not withdrawn;
- Unless the take-over bid is withdrawn, securities may be tendered or deposited at any time during the period in which the take-over bid must remain open in accordance with the requirements of NI 62-104, and any securities tendered or deposited pursuant to the take-over bid may be withdrawn until taken up and paid for (subject to certain exceptions in the case of a partial take-over bid in accordance with the requirements of NI 62-104); and
- If a majority of the outstanding Common Shares held by Independent Shareholders have been tendered or deposited and not withdrawn as described above, the acquiror must make a public announcement of that fact and the take-over bid must be extended for a period of not less than 10 days from the date of such public announcement.

The Rights Plan allows for a competing Permitted Bid (a “Competing Permitted Bid”) to be made while a Permitted Bid is in existence. A Competing Permitted Bid must satisfy all the requirements of a Permitted Bid, except that the minimum deposit period may be shorter as prescribed by NI 62-104.

Under the Rights Plan, “Independent Shareholders” means holders of any Common Shares, other than (i) any Acquiring Person; (ii) any acquiror (other than any person who is not deemed to beneficially own the Common Shares held by such person); (iii) any affiliate or associate of any acquiring person or acquiror; (iv) any person acting jointly or in concert with any acquiring person or acquiror; and (v) any employee benefit plan, stock purchase plan, deferred profit sharing plan and any similar plan or trust for the benefit of employees of Definity or a subsidiary of Definity, including the Definity Trust Plan, unless the beneficiaries of the plan or trust direct the manner in which the Common Shares are to be voted or withheld from voting or direct whether the Common Shares are to be tendered to a take-over bid.

Permitted Lock-up Agreements

The Rights Plan requires that a person making a take-over bid structure any lock-up agreement so as to provide reasonable flexibility to the shareholder of the Company in order to avoid being deemed the beneficial owner of the Common Shares subject to the lock-up agreement and potentially triggering the provisions of the Rights Plan.

Under the Rights Plan, a person will not be deemed to “beneficially own” any security where the holder of such security has agreed to deposit or tender such security pursuant to a “Permitted Lock-up Agreement”.

The Rights Plan defines a Permitted Lock-up Agreement as an agreement between a person and one or more holders of Common Shares or convertible securities the terms of which are publicly disclosed and copy of which agreement is made available to the public (including the Company) not later than the date the Lock-up Bid is publicly announced or if the Lock-up Bid has been made prior to the date of which such agreement has been entered into then as soon as possible after it is entered into and in any event not later than the date following the date of such agreement, and pursuant to which each locked-up person agrees to deposit or tender Common Shares or convertible securities to the locked-up bid and which further permits the locked-up person to withdraw their Common Shares in order to deposit or tender the Common Shares to another take-over bid or support another transaction (i) where the price or value per security under the other take-over bid exceeds the price per security offered under the Permitted Lock-up Agreement; or (ii) if (A) the price or value per security under the other take-over bid or transaction exceeds the price or value per security offered under the Lock-up Bid by as much as or more than a specified amount and the specified amount is not greater than 7% of the offering price in the Lock-up Bid ; or (B) the number of securities to be purchased under the other take-over bid or transaction exceeds the number of securities offered to be purchased under the Lock-up Bid by as much or more than a specified number of securities and the specified number of securities is not greater than 7% of the number of securities offered to be purchased under the Lock-up Bid, at a price or value per share, as applicable, that is not less than the price or value per share offered under the Lock-up Bid. In addition, in order to qualify as a Permitted Lock-Up Agreement under the Rights Plan, there can be no “break-up” fees, “top-up” fees, penalties, expenses or other amounts that exceed in the aggregate the greater of (i) the cash equivalent of 2.5% of the price or value payable under the Lock-up Bid to a locked-up person; and (ii) 50% of the amount by which the price or value payable under another take-over bid to a locked-up person exceeds the price or value of the consideration that such locked-up person would have received under the Lock-up Bid.

Waiver and Redemption

The Board may, prior to a Flip-in Event, waive the dilutive effects of the Rights Plan in respect of a particular Flip-in Event resulting from a take-over bid made by way of a take-over bid circular to all holders of Common Shares, in which event such waiver would be deemed also to be a waiver in respect of any other Flip-in Event occurring under a take-over bid made by way of a take-over bid circular to all holders of Common Shares. The Board may also waive the Rights Plan in respect of a particular Flip-in Event that has occurred through inadvertence or other circumstances, provided that the Acquiring Person that triggered such Flip-in Event reduces its beneficial holdings to 20% or less of the outstanding Common Shares within 14 days (or 10 days if such acquisition was not inadvertent) or such other period as may be specified by the Board. With the majority consent of holders of Common Shares or Rights holders at any time prior to the occurrence of a Flip-in Event, the Board may redeem all, but not less than all, of the outstanding Rights at a price of \$0.00001 each.

Exemption for investment advisors

Investment advisors (for client accounts), managers of mutual funds, trust companies (acting in their capacity as trustees and administrators), statutory bodies managing investment funds (for employee benefit plans, pension plans, insurance plans or various public bodies), registered pension funds, plans or related trusts and their administrators or trustees, and Crown agents or agencies acquiring greater than 20% of the Common Shares are exempted from triggering a Flip-in Event, provided that they are not making, or are not part of a group making, a take-over bid.

Amendment

The Board may amend the Rights Plan with the approval of a simple majority of the votes cast by the Independent Shareholders (or the holders of Rights if the Separation Time has occurred) voting in person or by proxy at a meeting duly called for that

purpose. The Board may, without such approval, correct clerical or typographical errors and, subject to such approval at the next meeting of the shareholders (or holders of Rights, as the case may be), may make amendments to the Rights Plan to maintain its validity due to changes in applicable legislation. Moreover, the Board may amend the Rights Plan prior to its ratification at the Meeting with the concurrence of the Rights Agent.

Voting Requirements

At the Meeting, shareholders of the Company will be asked to consider and, if deemed appropriate, to pass the Rights Plan Resolution. In order for the Rights Plan to become effective, the Rights Plan Resolution must be approved by: (i) a simple majority of the votes cast at the Meeting in favour of the Rights Plan Resolution by all shareholders of the Company, whether in person or by proxy; and (ii) a simple majority of the votes cast at the Meeting in favour of the Rights Plan Resolution by the Independent Shareholders, whether in person or by proxy. As of the record date for the Meeting, based on publicly available information, to the knowledge of the Company there are no holders of Common Shares that are not Independent Shareholders, other than the Definity Trust Plan, and therefore it is anticipated that all shareholders other than the Definity Trust Plan will be eligible to vote their Common Shares on the Rights Plan Resolution.

The text of the proposed resolution is as follows:

“BE IT RESOLVED THAT:

1. The shareholder rights plan as set forth in the Shareholder Rights Plan Agreement dated April 4, 2024 between the Company and Computershare Investor Services Inc., as set out in Schedule “D” of the Company’s management information circular dated April 4, 2024, and the issuance of all rights issued pursuant to such shareholder rights plan, is hereby ratified and approved, and
2. Any one of the officers or directors of the Company be and is hereby authorized for and on behalf of the Company (whether under its corporate seal or otherwise) to execute and deliver all documents and instruments and to take all such other actions as such officer or director may deem necessary or desirable to implement the foregoing resolutions and the matters authorized hereby, such determinations to be conclusively evidenced by the execution and delivery of such documents and other instruments or the taking of any such action.”

Recommendation of the Board of Directors

Shareholder rights plans have been adopted and reconfirmed by a large number of publicly-traded companies in Canada. The Rights Plan came into effect on April 4, 2024. In connection with the adoption of the Rights Plan, the Corporate Governance Committee, which is composed solely of independent directors, also reviewed the Rights Plan. As part of the process to review and approve the Rights Plan, the Board considered (i) the objectives to be served by the adoption of such a plan; (ii) developments in shareholder rights plans and securities legislation; (iii) recent experience involving rights plans in the context of take-over bids; (iv) the policies of institutional shareholder proxy advisors on these plans; and (v) the terms and method of operation of the Rights Plan. The Board also reviewed the Rights Plan for conformity with current practices of Canadian issuers with respect to shareholder rights plan design and the Board determined that the Rights Plan is consistent with the latest generation of Canadian rights plans and is in the best interests of the Company.

Management and the Board recommend that shareholders vote FOR the resolution ratifying and approving the Rights Plan set forth above (the “Rights Plan Resolution”).

The Board reserves the right to alter any terms of the Rights Plan, with the concurrence of the Rights Agent, prior to its ratification and approval by shareholders at the Meeting if the Board determines that it would be in the best interests of the Company to do so in light of any developments subsequent to the date of this Circular. In such circumstance, a news release would be issued, and the amended Rights Plan would be filed on SEDAR+ and presented to shareholders for approval at the Meeting if the Board determines to amend the Rights Plan, or the Board could determine to not proceed with the Rights Plan at any time prior to the Meeting.

ITEM 5 — ADVISORY VOTE ON APPROACH TO EXECUTIVE COMPENSATION

The Board believes that shareholders should have the opportunity to fully understand the objectives, philosophy and principles that the Board has used to make executive compensation decisions. It is the Board’s intention that this shareholder advisory vote will form an important part of the ongoing process of engagement between shareholders and the Board on compensation.

In 2023, 95.99% of shares voted were in favour of the approach to executive compensation disclosed in the Company’s Management Information Circular.

The “Statement on Executive Compensation” section discusses our compensation philosophy, the objectives of the different elements of our compensation programs and the way the Board assesses performance and makes decisions. It explains how the Company’s compensation programs are centred on a pay-for-performance culture and are aligned with the long-term interests of shareholders.

If no instructions are given, any designated proxyholder who is a director and/or an officer of the Company will vote FOR the following resolution:

“BE IT RESOLVED, on a non-binding and advisory basis and not to diminish the role and responsibilities of the Board, that the shareholders accept the approach to executive compensation disclosed in the Company’s Management Information Circular delivered in advance of the 2024 Annual and Special Meeting of Shareholders.”

While the advisory vote is non-binding, the HRCC and the Board will take the results of the vote into account, as they consider appropriate, when considering future compensation policies, procedures and decisions. If a significant number of the shares represented at the Meeting are voted against the advisory resolution, the Board Chair will oversee a process to better understand opposing shareholders’ specific concerns. The HRCC will then review the approach to executive compensation in the context of those concerns and may make recommendations to the Board.

STATEMENT ON EXECUTIVE COMPENSATION

MESSAGE TO OUR SHAREHOLDERS

A year in review

Throughout 2023, Definity and the insurance industry were faced with significant volatility. The Company navigated a challenging economy, high inflation, rising auto thefts and increased frequency and severity of natural catastrophe events. Despite this uncertainty, Definity delivered solid financial results underscored by organic and inorganic growth, enhanced strategic partnerships and disciplined expense management – all while remaining true to its corporate values.

Our commitment to becoming a top five P&C insurer remains strong. Ambitious growth in our broker channel with the acquisition of McFarlan Rowlands in Ontario and Drayden Insurance in Alberta, in partnership with McDougall Insurance, positions us for future success. In late 2023, Definity also announced it had received all necessary approvals to continue under the CBCA as of January 1, 2024. Continuing to the CBCA puts the Company on a level playing field with its largest competitors and will allow for the flexibility to deploy capital more effectively and strategically as attractive opportunities come into focus.

In addition to delivering strong business results, we remain focused on our employees and communities. Our purpose at Definity is to build a better world by helping our clients and communities adapt and thrive: we know that this starts with employees who feel engaged, included, and appreciated at work. Our employees continuously demonstrate that living up to Definity's purpose is what drives them, with 84 per cent of employees reporting that they feel a sense of purpose in their work. This sense of purpose has been the top driver of engagement for the past two years. The Definity CEO Awards, our pinnacle values-based recognition program, is now in its second year. In 2023 we received over 100 nominations across the Company. Ten employees received individual awards, and four teams were also recognized. As part of the awards, winners choose charities to receive Company-sponsored donations. Outside of the office, our employees are active in the communities in which we live and work. All employees receive two annual Company-paid volunteer days and the use of these days increased almost 200 per cent in 2023 compared to the prior year.

Our various employee groups also contribute significantly to the welcoming and inclusive environment we have established at Definity. All of our Executive Leadership Team ("ELT") members have active sponsorship or reciprocal mentorship roles within these groups, including the CEO who is Executive Sponsor of Definity's inclusion, diversity, equity, and accessibility ("IDEA") governance structure and is mentor to the IDEA Advisory Committee's Chair. These are some of the many reasons why, in 2023, Definity was re-certified as one of Canada's Most Admired™ Corporate Cultures by Waterstone Human Capital and named one of the Best Workplaces in Canada by Great Place to Work®. In fact, in a recent engagement survey, 88 per cent of the employees who responded told us they feel like they belong at work, and 92 per cent said they believe their direct leaders care about them as people, underscoring our commitment to making insurance better by fostering a supporting and positive workplace experience.

Commitment to pay for performance

Definity aligns compensation with performance. While overall target compensation opportunities are established at competitive levels to attract and retain the executive talent we need, the majority of the executives' potential compensation is incentive-based and dependent on the achievement of key measures of short- and long-term performance. The HRCC considers many factors in setting total compensation, including competitive market conditions, internal equity, scope of the role, current business challenges, short- and longer-term performance, and strategic objectives. In 2023, the HRCC completed its regular review of Definity's compensation philosophy. As an outcome of this review, changes were made to the general industry publicly-traded reference group for the 2024 performance year to increase the emphasis on financial services and the insurance industry and to reflect the growth in our relative size over time.

The performance metrics in the incentive programs are designed to maintain focus on positioning the Company for future success. By linking compensation programs to both current strategic and financial imperatives as well as future value creation, the interests of Definity's executive team are aligned with those of our investors. In consideration of multiple factors, including the changes to the general industry publicly-traded reference group and market movement since 2022, compensation for our named executive officers ("NEOs") has been adjusted for 2024, recognizing that no changes have been made to NEO compensation targets since 2022.

KEY PERFORMANCE MEASURES



Operating Net Income ("ONI"):
\$247 (millions)



Combined ratio ("COR"):
95.9%



Gross written premiums
("GWP"): \$4,005 (millions)

2023 performance and compensation

The 2023 results were built on the work done by Mr. Saunders and other members of the ELT to transform the business and continue the pursuit of innovation and growth. Strategic expansions and organic growth have put Definity in a solid position to continue to advance toward its goal of becoming a top five P&C insurer in Canada. As a result, in 2023 Definity drove solid overall premium growth of 9.4%, and ended the year with annual gross written premiums exceeding \$4 billion for the first time.

The full-year combined ratio of 95.9%, despite 6.2 points of catastrophe losses, demonstrates the strength of our operating model. Our full-year operating ROE was 9.2% with 11.1% growth in book value per share. These are strong results for a challenging year.

We are optimistic for the year ahead, having established a strong foundation on which to continue building our track record of success. Based on the solid performance of the team in 2023 during a volatile year in the industry, the Board has awarded Mr. Saunders and the Executive Leadership Team a short-term incentive of between 113% and 134% of target and confirmed the performance factor for the 2021 to 2023 performance units (“PUs”) under the Definity Insurance Medium-Term Incentive Plan (“MTIP”) at 183.3%.

Sincerely,



Elizabeth DelBianco

Chair of the Human Resources and Compensation Committee

COMPENSATION DISCUSSION & ANALYSIS

The following section describes the significant elements of our executive compensation program, with particular emphasis on the process for determining compensation payable to the Chief Executive Officer (“CEO”), the Chief Financial Officer (“CFO”) and the other three most highly compensated executive officers. The NEOs for the fiscal year ended December 31, 2023 were:

- Rowan Saunders, President and CEO;
- Philip Mather, Executive Vice-President and CFO;
- Fabian Richenberger, Executive Vice-President, Commercial Insurance and Insurance Operations;
- Paul MacDonald, Executive Vice-President, Personal Insurance and Digital Channels; and
- Innes Dey, Senior Vice-President, Legal and Strategy.

Compensation Objectives and Philosophy

Our compensation program focuses executives on the successful execution of our business strategy, in alignment with our risk appetite and Company values. The program is guided by the following three principles:



Provide competitive total compensation to attract, retain, and motivate talented executives



Pay for performance that is consistent with our strategy, risk appetite, and Company values



Align executive and shareholder interests by rewarding strong performance and long-term value creation

Alignment with our business strategy

We believe in aligning compensation with performance relative to our business plan and strategy. While overall target compensation opportunities are established at competitive levels to attract and retain the executive talent we need, the majority of our executives’ potential compensation is incentive-based and dependent on key measures of short- and longer-term performance.

2023 COMPENSATION HIGHLIGHTS



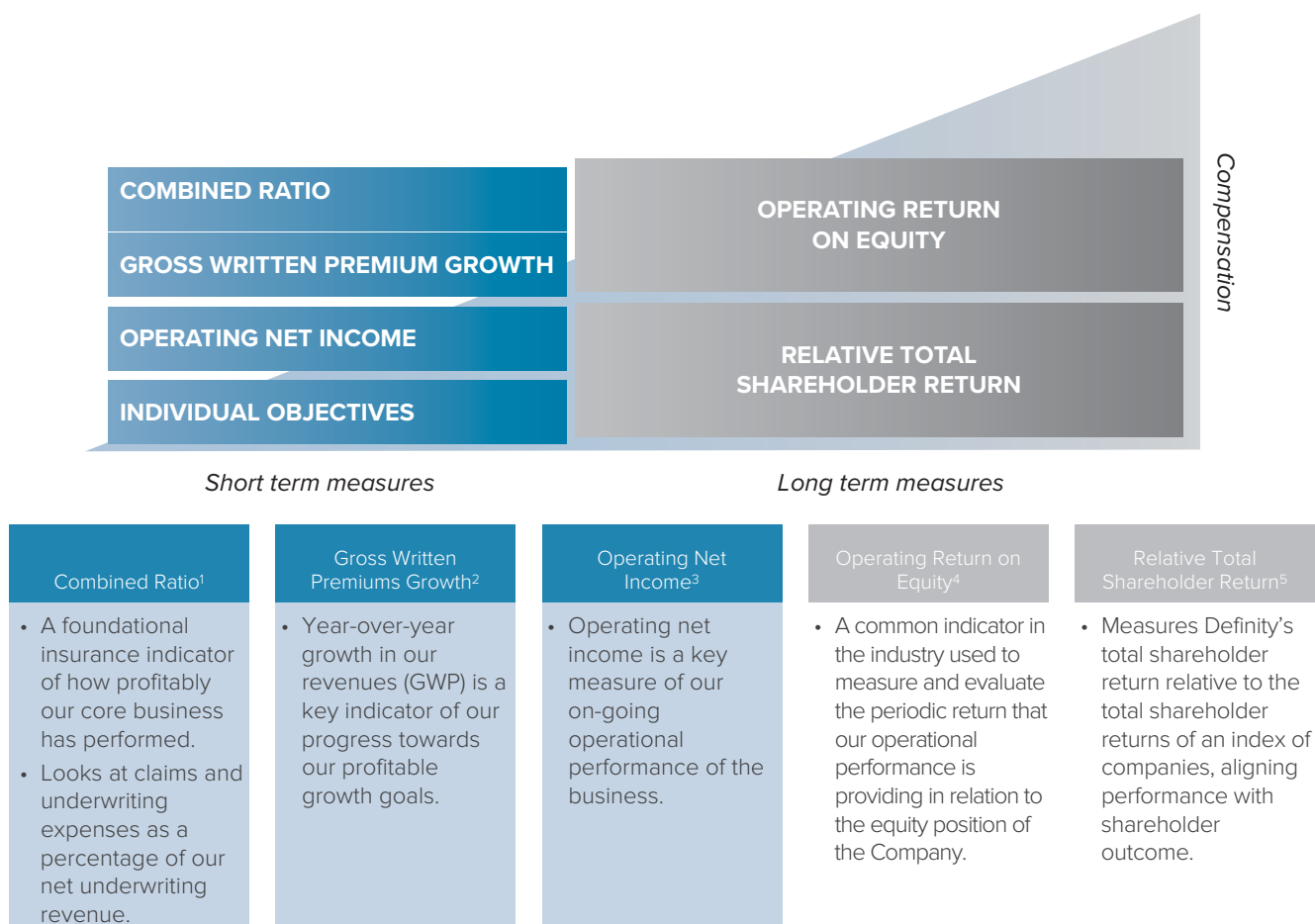
Corporate performance multiplier for the short-term incentive plan was 112.5% of target



The performance factor for the 2021-2023 PUs under the MTIP was 183.3%

Alignment with our approach to ESG

Definity recognizes that environmental, social and governance (“ESG”) factors are important to the Company’s purpose of building a better world by helping our clients and communities adapt and thrive, in alignment with our culture, strategy, and overall performance. Accordingly, various ESG and ESG-related metrics are part of the individual objectives for each NEO and many other employees across the Company. Examples include employee engagement, inclusion and diversity objectives, reducing operational greenhouse gas emissions and increasing the proportion of women in leadership positions. Both the reduction in greenhouse gas emissions and increasing the proportion of women in leadership positions are aligned with the goals established for our sustainability-linked loan facility. Executives are also incentivized through their perquisites to utilize hybrid or electric vehicles.



Notes regarding Non-GAAP Financial Measures:

- ⁽¹⁾ For STIP purposes, COR is calculated as claims and adjustment expenses (not including discounting), commissions, operating expenses and premium taxes for the year divided by net underwriting revenue for the same period. Net underwriting revenue is defined as insurance revenue less earned reinsurance premiums.
- ⁽²⁾ GWP growth is the increase or change in gross written premiums for the year, divided by the premium base at the beginning of the year. It is also a standard measure of financial performance among insurance organizations.
- ⁽³⁾ Operating net income is the net income attributable to common shareholders less (or plus) non-operating gains (losses) net of applicable income taxes. Management uses operating net income to measure and evaluate the ongoing operational performance of the business.
- ⁽⁴⁾ Operating Return on Equity is the operating net income for the 12 months ended at a specified date divided by the average of equity attributable to common shareholders, excluding accumulated other comprehensive income, and excluding unrealized gains or losses on FVTPL equity instruments, adjusted for significant capital transactions if applicable, over the same 12-month period. Management uses operating ROE to measure and evaluate our performance with respect to the periodic return that our operational performance is providing relative to the equity position of the organization.
- ⁽⁵⁾ Total Shareholder Return is calculated as the share price appreciation during the grant measurement period assuming all dividends and capital gains are reinvested in the common shares.
- * Combined Ratio (“COR”), Gross Written Premiums, and Operating Net Income are non-GAAP financial measures. Please refer to “13 – Supplementary Financial Measures and Non-GAAP Financial Measures and Ratios” of the Company’s management’s discussion and analysis (“MD&A”) for the year ended December 31, 2023, which is incorporated by reference herein.

COMPENSATION PROCESS AND BENCHMARKING

Compensation design and decision-making process

The Board, the HRCC, and Management are all involved in compensation decision-making. All decisions about compensation design and executive pay are made with reference to our strategy, our risk appetite, and our principle of pay for performance. In 2023, the HRCC completed its regular review of Definity's compensation philosophy which includes, among other criteria, the alignment with the Company's financial and non-financial performance, business strategy and risk management philosophy. Based on this review, changes to the general industry publicly-traded reference group were made for the 2024 performance year to increase the emphasis on financial services and the insurance industry and to reflect our relative size and complexity over time.



| Review plan design and establish target pay levels and mix | Set performance objectives | Ongoing review of market and trends | Evaluate performance | Finalize compensation |
|--|---|---|---|---|
| <ul style="list-style-type: none"> The HRCC approves design features of the executive compensation programs The HRCC approves target compensation for each senior executive at the beginning of each year, considering desired pay mix For the CEO, the HRCC recommends and the Board approves the compensation targets and pay mix | <ul style="list-style-type: none"> Based on the Board-approved business plan, management proposes financial and/or strategic goals, targets and performance ranges for the annual and long-term incentives The HRCC reviews and approves the financial and/or strategic goals, targets and performance ranges The HRCC recommends and the Board approves the CEO's objectives and individual performance targets | <ul style="list-style-type: none"> The HRCC reviews: <ul style="list-style-type: none"> The composition of the benchmarking reference groups Competitive positioning of target compensation Ongoing trends Ongoing performance relative to the established targets and ranges | <ul style="list-style-type: none"> Management discusses business performance results with the HRCC The HRCC reviews performance relative to the metrics and approves the performance factors The CEO reviews the performance of the senior executives against the corporate and individual objectives set at the beginning of the year The Board reviews the CEO's performance against the corporate and individual objectives set at the beginning of the year | <ul style="list-style-type: none"> The Board reviews and approves the CEO's compensation The HRCC reviews and approves the compensation of the other senior executives, taking into account the CEO's recommendations Discretion may be applied to change the calculated awards when necessary to address the impact of unforeseen or extraordinary events |

The HRCC considers a number of additional factors when determining the total potential compensation to be awarded to an executive for a particular year. This includes the scope of responsibility of the role, corporate and individual performance, the executive's skills and experience, and compensation levels for comparable roles at similarly situated companies.

Establishing our compensation benchmarks

The competitive market for executive talent is drawn from businesses within financial services, the insurance industry, and broader general industry. To understand competitive levels of compensation for a company of Definity's size and complexity, the HRCC assesses executive compensation practices and levels at similarly situated companies using the following two reference groups.

| Reference organization criteria | How we use the reference data |
|---|---|
| <p>General industry publicly-traded organizations</p> <ul style="list-style-type: none"> Financial services and consumer facing industries, excluding oil and gas, natural resources and utilities Comparable size based on revenue, market capitalization, and number of business units National operations <p>Insurers</p> <ul style="list-style-type: none"> Comparable in size based on GWP and assets (from 1/3 to 3 times the size of Definity and its subsidiaries) All organization structures (mutual, subsidiary, and publicly-traded) | <ul style="list-style-type: none"> As an input into setting base salary, annual incentive, and long-term incentive target levels To assess the competitiveness of total direct compensation awarded to executives To understand annual and long-term incentive designs in the market |

General industry publicly-traded reference group¹:

| | | |
|-----------------------------------|------------------------------|-------------------------------------|
| Canadian Tire Corporation Limited | Intact Financial Corporation | Premium Brands Holdings Corporation |
| Cogeco Inc. | Laurentian Bank of Canada | Spin Master Corp. |
| Finning International Inc. | Maple Leaf Foods Inc. | Stantec Inc. |
| Gildan Activewear Inc. | National Bank of Canada | TMX Group Limited |
| iA Financial Corporation Inc. | The North West Company Inc. | |
| IGM Financial Inc. | NFI Group Inc. | |

Canadian insurers:

| | | |
|---|--|---|
| American International Group (AIG Canada) | Co-operators Group Limited | Munich Re Group |
| AmTrust Financial | Empire Life Insurance Company | Northbridge General Insurance Corporation |
| Aviva Canada | Gore Mutual Insurance Company | Reinsurance Group of America (RGA Canada) |
| Beneva Group Inc. | iA Financial Corporation Inc. | Travelers Companies Inc. |
| Canada Life Assurance Company | Intact Financial Corporation | Wawanesa Mutual Insurance Company |
| Chubb Limited | The Manufacturers Life Insurance Company | |

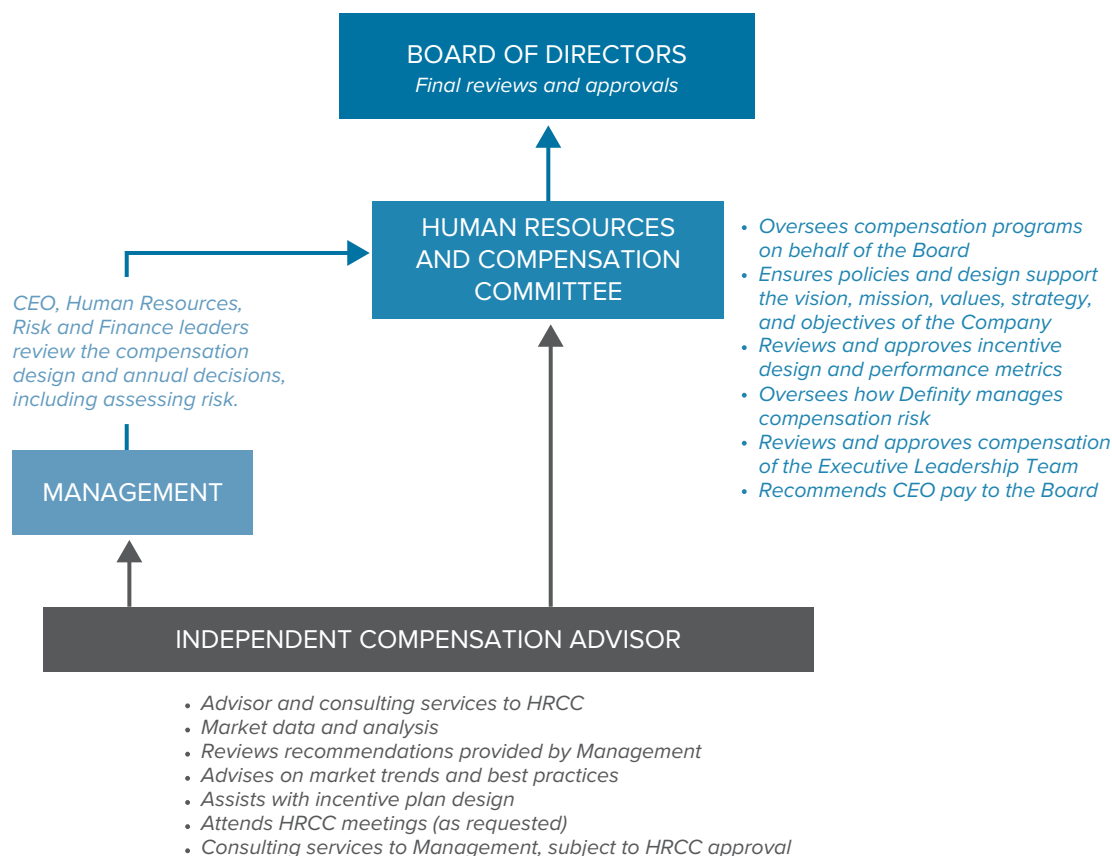
¹ Following the regular review of our compensation philosophy, the following changes to the general industry publicly-traded reference group were approved for 2024: removal of Cogeco Inc., Laurentian Bank and NFI Group Inc.; addition of CI Financial Corp., Canadian Western Bank and Element Fleet Management Corp.

Compensation Governance and Risk Management

The HRCC is made up of five independent directors, all of whom are seasoned professionals knowledgeable in executive compensation through their business experience in one or more senior executive roles and/or working with other boards. None of these directors is an active chief executive officer of a publicly-traded organization or is or has been an officer or employee of Definity or any of its subsidiaries.

Compensation oversight

Definity has a robust governance approach to overseeing compensation programs, as illustrated below.



Independent compensation advice

Since 2013, the HRCC (and the corresponding board committee of Definity Insurance) has retained Willis Towers Watson (“WTW”) as an outside advisor to provide independent guidance and advice on compensation decisions.

The HRCC regularly meets with WTW, without Management present, to maintain direct channels of communication and assess independence and objectivity of advice. While WTW’s information and advice inform the decision-making process, the HRCC relies on its own judgment to make final decisions.

The HRCC reviews WTW’s independence on a regular basis and confirmed WTW’s independence for 2022 and 2023. In its review, the HRCC considered WTW’s processes, protocols, and incentive structure, and the consultants’ business relationships with Definity, its subsidiaries and their directors and executives.

The table below shows the fees paid to WTW and its affiliates for services in the last two years. If Management intends to work with WTW, the HRCC must pre-approve any consulting services above a pre-determined threshold.

| Fees paid to WTW | 2022 | 2023 (\$) |
|-------------------------------------|----------------|----------------------|
| Executive compensation-related fees | 193,154 | 332,494 ¹ |
| All other fees ² | 141,250 | 0 |
| Total | 334,404 | 332,494 |

Notes:

¹ The executive compensation-related fees for 2023 includes work related to the triennial compensation philosophy review as well as the work related to the review of director compensation.

² All other fees for 2022 includes best practices review for catastrophe management framework.

Compensation risk management

Our compensation program is designed with the understanding that we are in the business of taking risk to achieve an appropriate return. The HRCC regularly monitors and evaluates our compensation policies with a view to ensuring they align with good governance practices. The HRCC believes that our compensation policies, plans, and practices do not encourage inappropriate or excessive risk-taking, and that there are no compensation-related risks or practices that are reasonably likely to have a material adverse effect on the Company.

Our goal is to reward executives for sustainable, profitable growth, and other established desirable strategic business outcomes, that fall within our risk appetite. The risk management features of our compensation program are aligned with the Financial Stability Board's Principles for Sound Compensation Practices and with OSFI guidelines. Management and the HRCC will continue to assess the alignment of our compensation program with governance best practices.

What we do



Consider the balance between fixed and variable pay, short- and longer-term time horizons

Our compensation program balances fixed and variable pay and short- and longer-term performance criteria with overlapping performance periods. The weighting for the longer-term incentive increases by role, responsibility, and ability to affect our longer-term strategy, risk, and results.



Test our compensation program design

Any significant changes considered in the structure of our incentive plans, including the performance targets and ranges, are tested against various performance scenarios. The CEO, Chief Financial Officer, and Chief Risk and Actuarial Officer review the results before Management presents the findings to the HRCC along with the proposed changes.



Cap variable pay

The short-term incentive payout is capped at 200% of target. The performance share unit ("PSU") performance factor is capped at 2x, for 2024 onwards.



Pay-for-performance

Annual and long-term incentive awards are linked to performance on our corporate goals and individual goals and are designed to focus executives on carrying out our strategy, sustaining performance, and growing value over the longer term.



Compensate senior executives based on overall Company and individual performance

Compensation for our most senior leaders (the ELT), and all executives in control functions (risk management, actuarial, legal, and finance), is based solely on Company and individual performance and does not include specific performance metrics for business segments.



Allow for discretion

The Board and the HRCC are able to use their discretion to adjust the mathematically determined awards up or down to address the impact of unforeseen or extraordinary events, including reducing them to zero if performance is not in line with risk management, or expected conduct.



Compensation Recoupment Policy

We have a policy that allows us to recover incentive compensation paid to the CEO and each other member of the ELT if their misconduct¹ causes a material restatement or correction of financial statements that results in overcompensation, based on the restated or corrected results. Under the policy, the Company is entitled to recover from such executive any overcompensation amount that was received within three years preceding the date of the material restatement.



Securities Trading Policy

All of the Company's employees are subject to the Securities Trading Policy, which prohibits trading in the Company's securities while in possession of material undisclosed information regarding the Company or during internal blackout periods. Under this policy, such individuals are also prohibited from entering into certain types of hedging transactions involving the securities of the Company, such as short sales, puts, and calls.



Share Ownership Guidelines

Executives are expected to maintain a minimum level of share ownership to align executive and shareholder interests. Stock Options and PSUs are excluded for purposes of calculating the executive's level of share ownership. More details are provided below.

What we don't do

- ⊗ **Single measure plans**
- ⊗ **Single trigger change of control provisions**
- ⊗ **Grant or extend loans to employees**
- ⊗ **Pay incentives if unwarranted by financial, strategic, risk management, or individual performance**

Notes:

⁽¹⁾ "Misconduct" means (i) fraud, (ii) willful breach of the material provisions of the Company's code of business conduct, (iii) willful failure to perform the senior executive's most important duties and responsibilities, (iv) certain types of criminal convictions, (v) failure to report or intervene when the senior executive knows, or should have known, that another employee was engaged in serious misconduct, or (vi) any other circumstances that would allow for termination with cause.

Share Ownership Guidelines

The Board has adopted Share Ownership Guidelines in order to better align executives' interests with those of shareholders. Executives are expected to maintain a minimum level of share ownership and to meet their ownership guidelines by the fifth anniversary from the later of (i) November 23, 2021 (the date of the IPO) and (ii) the date the executive joined the Company or was promoted to an executive role.

Included in the determination of the executive's share ownership for the purpose of the Share Ownership Guidelines are any Common Shares held by the executive (directly, indirectly, or controlled), vested and unvested restricted share units ("RSUs"), DSUs, and such other eligible units as may be approved by the Board. Stock Options and PSUs are excluded for purposes of calculating the executive's level of share ownership.

All NEOs are in compliance with the Share Ownership Guidelines. The table below sets out the number and value of Common Shares and units of the NEOs' direct and indirect holdings, as well as the total value as a multiple of base salary, as at December 31, 2023.

| Name | Guideline | Common Shares | | RSUs | | DSUs | | Total Value (\$) | Total Value as multiple of base salary |
|--|----------------|---------------|---------------------------|------------|---------------------------|------------|---------------------------|------------------|--|
| | | # of shares | Value ⁽¹⁾ (\$) | # of units | Value ⁽¹⁾ (\$) | # of units | Value ⁽¹⁾ (\$) | | |
| Rowan Saunders <i>President and CEO</i> | 3 times salary | 292,517 | 10,981,098 | 92,779 | 3,482,923 | - | - | 14,464,021 | 14.5 |
| Philip Mather <i>EVP and Chief Financial Officer</i> | 2 times salary | 82,112 | 3,082,490 | 20,634 | 774,593 | 20,925 | 785,524 | 4,642,607 | 9.3 |
| Fabian Richenberger <i>EVP, Commercial Insurance and Insurance Operations</i> | 2 times salary | 68,209 | 2,560,575 | 22,437 | 842,291 | 11,267 | 422,980 | 3,825,846 | 7.0 |
| Paul MacDonald <i>EVP, Personal Insurance and Digital Channels</i> | 2 times salary | 72,985 | 2,739,875 | 18,829 | 706,857 | - | - | 3,446,732 | 7.7 |
| Innes Dey <i>SVP, Legal and Strategy</i> | 2 times salary | 79,247 | 2,974,928 | 15,619 | 586,342 | 11,626 | 436,441 | 3,997,711 | 8.9 |

Notes:

⁽¹⁾ The value is based on the closing Common Share price on the TSX on December 29, 2023 of \$37.54.

COMPENSATION ELEMENTS

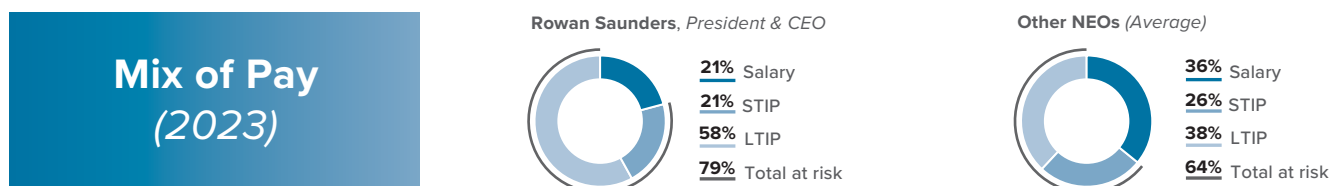
Our compensation programs balance fixed and variable pay, short-, medium-, and long-term performance criteria with overlapping performance periods.

| Element and purpose | Performance period | Key features |
|---|--------------------|---|
| <p>Salary</p> <p><i>To compensate executives competitively for their role at Definity.</i></p> | 1 year | <ul style="list-style-type: none"> • Fixed amount earned and paid during the year • Typically reviewed annually but not necessarily adjusted • Normally set around the market median • Levels determined based on individual performance, experience, competencies, accountabilities, and competitive market data |
| <p>Short-term incentive</p> <p><i>To drive and reward the achievement of corporate, strategic, and individual priorities during the year.</i></p> | 1 year | <ul style="list-style-type: none"> • Target value determined based on the role and expressed as a percentage of salary • Final award contingent on HRCC's assessment of performance against pre-determined financial and operating goals and paid in cash (with opportunity for the ELT to elect to receive a percentage in the form of DSUs) • 75% corporate; 25% individual |
| <p>Long-term incentives - Performance Share Units</p> <p><i>To provide a strong link to longer-term corporate and market performance and creating shareholder value.</i></p> | 3 years | <ul style="list-style-type: none"> • Units are granted based on a target level of long-term incentive compensation and track the Common Share price • Value of dividends on Common Shares is accrued over the 3-year performance period • 60% of long-term incentive grant • Number of units that vest is subject to the level of performance achieved against predetermined threshold, target and maximum levels, as determined by the HRCC • The final settlement may be made in cash or shares, at the discretion of the HRCC |
| <p>Long-term incentives - Restricted Share Units</p> <p><i>To pay for sustainable long-term performance and creating shareholder value.</i></p> | 3 years | <ul style="list-style-type: none"> • Units are granted based on a target level of long-term incentive compensation and track the Common Share price • Value of dividends on Common Shares is accrued over the vesting period • 20% of long-term incentive grant • The final settlement may be made in cash or shares, at the discretion of the HRCC |
| <p>Long-term incentives - Stock Options</p> <p><i>To pay for sustainable long-term performance and creating shareholder value.</i></p> | 10 years | <ul style="list-style-type: none"> • Stock Options are granted based on a target level of long-term incentive compensation • The grant or exercise price is based on market price of Common Shares at time of grant • Value at exercise will be based on the then-current price of the Common Shares • Granted for the first time in early 2023, at 20% of the total long-term incentive compensation. |

| Element and purpose | Performance period | Key features |
|--|--------------------|---|
| Long-term incentives - Deferred Share Units <i>Assist in achieving share ownership expectations and encourage long-term decision making and shareholder alignment.</i> | Career | <ul style="list-style-type: none"> Senior executives may defer a portion or all of their short-term incentive into notional units that track the Common Share price Value of dividends on Common Shares is accrued over the vesting period Units are redeemable following cessation of employment The final payment is made in cash |
| Benefits, Perquisites, and Retirement Savings <i>To provide executives with market-typical benefits</i> | Career | <ul style="list-style-type: none"> Includes pension (see “Compensation Discussion & Analysis – Retirement Benefits”), group life and health insurance, annual cash allowance (in lieu of perquisites), and opportunity to participate in the Definity Share Ownership Plan (as defined below) |

Target Pay Mix for NEOs

To align with the Company’s pay for performance compensation philosophy and emphasis on longer-term value creation, a significant portion of the NEOs’ pay is made up of short- and long-term incentives and linked to our corporate goals and objectives. In determining the pay mix, the HRCC considers market practice, level of pay, and line-of-sight to the overall Company performance.



Base Salary

Base salaries are initially established in the NEOs’ respective employment agreements and reviewed annually by the HRCC. In making adjustments, if any, the HRCC considers positioning against the competitive market, the executive’s level of responsibility, experience, and individual performance, and internal equity. No increases were made to NEO salaries in 2023. Based on a combination of changes to the general industry publicly-traded reference group and market movement since 2022, base salaries for 2024 were adjusted to reflect the executive’s level of responsibility, experience and individual performance, and internal equity.

| Name | 2023 Salary | 2024 Salary | % increase 2023 –2024 |
|---------------------|-------------|-------------|--------------------------|
| Rowan Saunders | 1,000,000 | 1,100,000 | 10.0% |
| Philip Mather | 500,000 | 600,000 | 20.0% |
| Fabian Richenberger | 550,000 | 635,000 | 15.45% |
| Paul MacDonald | 450,000 | 525,000 | 16.67% |
| Innes Dey | 450,000 | 500,000 | 11.11% |

Short-term Incentive

The Short-term Incentive Plan (“STIP”) is designed to reward participants for achieving key financial, operating, strategic, and individual performance objectives by providing a potential annual cash award.

Target STIP opportunities

The target STIP opportunity is communicated to participants at the beginning of the fiscal year. Depending on actual performance relative to the set performance objectives, the actual awards may range from 0% to 200% of the target award. The 2023 STIP targets as a percentage of salary for the NEOs are as follows:

| Name | Minimum Award (% of salary) | Target Award ¹ (% of salary) | Maximum Award (% of salary) |
|---------------------|--------------------------------|--|--------------------------------|
| Rowan Saunders | 0% | 100% | 200% |
| Philip Mather | 0% | 80% | 160% |
| Fabian Richenberger | 0% | 80% | 160% |
| Paul MacDonald | 0% | 80% | 160% |
| Innes Dey | 0% | 50% | 100% |

Add footnote

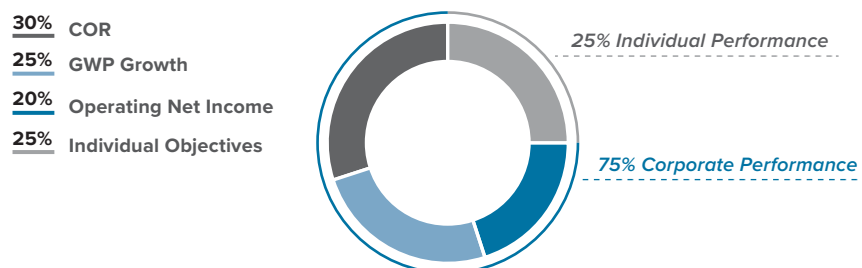
¹ For fiscal 2024, the STIP targets of Messrs. Saunders and Dey have changed to 125% and 60% respectively.

STIP performance measures

The STIP performance measures are aligned with our areas of strategic focus, including certain financial and business objectives. Each year performance measures are identified, and threshold, target, and maximum performance goals are established based on our business plan.

For 2023, the STIP measures focused on COR, GWP growth, and operating net income.¹ In addition to corporate performance measures, which in 2023 reflected 75% of the performance multiplier, the STIP included individual performance measures (25% of the performance multiplier) aligned to each NEO's personalized goals and objectives. These individual objectives included elements reflecting certain of the Company's ESG goals.

STIP Performance Measures



COR is a standard ratio used in insurance organizations to understand the ratio of claims and expenses being paid relative to the premiums being collected. For STIP purposes, COR is calculated as claims and adjustment expenses (not including discounting), commissions, operating expenses and premium taxes for the year divided by net underwriting revenues. Net underwriting revenue is defined as insurance revenue less earned reinsurance premiums.

Operating net income is the net income attributable to common shareholders less (or plus) non-operating gains (losses) net of applicable income taxes. Management uses operating net income to measure and evaluate the ongoing operational performance of the business.

ESG and ESG-related performance metrics are included in the NEOs' individual objectives in support of the overall advancement of Definity's ESG strategy. Examples include employee engagement, the diversity, equity, and inclusion strategy and pipeline, and ensuring employees work within and comply with the organization's risk parameters. In 2023, we added organizational level metrics that address operational greenhouse gas emissions and the proportion of women in leadership positions. These goals for these metrics are aligned with the goals established for our sustainability-linked loan facility.

¹ Please refer to "Notes regarding Non-GAAP Financial Measures" above

2023 STIP awards

The following table summarizes the awards under the STIP for 2023 performance.

| Name | Salary (\$) | x | STIP target | COR Mult | GWP Mult | ONI Mult | Total Mult | = | 2023 Total STIP (\$) ¹ |
|----------------------------|------------------|---|-------------|----------|----------|----------|------------|---|-----------------------------------|
| Rowan Saunders | 1,000,000 | | 100% | 92.5% | 126.4% | 125.3% | 134% | | 1,344,100 |
| Philip Mather | 500,000 | | 80% | 92.5% | 126.4% | 125.3% | 124% | | 497,500 |
| Fabian Richenberger | 550,000 | | 80% | 92.5% | 126.4% | 125.3% | 134% | | 591,250 |
| Paul MacDonald | 450,000 | | 80% | 92.5% | 126.4% | 125.3% | 118% | | 425,250 |
| Innes Dey | 450,000 | | 50% | 92.5% | 126.4% | 125.3% | 118% | | 265,781 |

Notes:

¹ Represents annual bonus amounts under the STIP for each NEO. No NEO elected to convert their 2023 STIP into DSUs in accordance with the Executive DSU Plan. See "Compensation Discussion & Analysis – Summary of Securities Based Compensation Arrangements – Executive Deferred Share Unit Plan" for more information.

Deferred share units

The Company has adopted the Definity Executives' Deferred Share Unit Plan ("Executive DSU Plan") designed to facilitate equity ownership over the executive's career with Definity. The plan allows for the deferral of the short-term incentive award over the executive's career with Definity.

Each DSU granted notionally represents the value of one Common Share on the date of grant. Participants are credited on the date that the annual STIP payment would otherwise be payable with a number of DSUs equal to the portion of the STIP payment elected in DSUs divided by the volume weighted average trading price per Common Share on the TSX during the immediately preceding five trading days ("Market Value"). Additional partial DSUs are credited to each DSU participant equal to the value of cash dividends paid on the same number of Common Shares, based on the Market Value of a Common Share at the time cash dividends are paid on the Common Shares.

DSUs are redeemable following the cessation of employment. On or after the cessation of employment (but in no event later than December 31 of the calendar year following the year in which the employment ceases), the DSUs will be settled in cash, with the amount payable determined by multiplying the number of DSUs by the Market Value on such date.

Long-term Incentives

The HRCC annually reviews the number of long-term incentive units to be awarded to NEOs and other participants. In addition, the HRCC will review the number of Common Shares reserved for issuance under the Long-term Incentive Plan ("LTIP") and Stock Option Plan (as defined below) that remain available, and limitations on grants to insiders.

2023 grants

For 2023, the target incentive grant levels and the mix between PSUs, RSUs and stock options for the NEOs is outlined below.

| Name | Long-term Incentive Plan Mix | | | |
|----------------------------|---|------|------|---------------|
| | Target ⁽¹⁾ (% of base salary) | PSUs | RSUs | Stock Options |
| Rowan Saunders | 275% | 60% | 20% | 20% |
| Philip Mather | 110% | 60% | 20% | 20% |
| Fabian Richenberger | 110% | 60% | 20% | 20% |
| Paul MacDonald | 110% | 60% | 20% | 20% |
| Innes Dey | 90% | 60% | 20% | 20% |

¹ For fiscal 2024, the LTIP target for Mr. Saunders has changed to 325% and 120% for Messrs. Mather, Richenberger and MacDonald.

Prior to the Company being publicly-traded, NEOs were granted restricted units ("RUs") and performance units ("PUs") under the MTIP. These units were designed to pay out at the end of a three-year period and, prior to completion of the IPO, appreciated and depreciated with Definity Insurance's book value. Following completion of the IPO and in accordance with the terms of the MTIP, these units were adjusted so that such awards appreciate and depreciate with our Common Share price. A participant's award will vest at the end of the applicable performance period and may be settled in cash or in shares, at the discretion of the HRCC. No further awards will be granted under the MTIP.

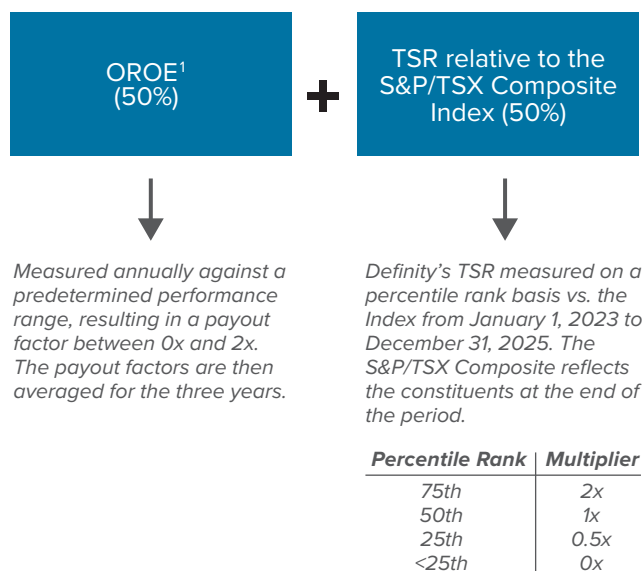
Performance share units

The Company has adopted the LTIP for employees of Definity and its subsidiaries, as selected by the CEO and approved by the HRCC (or as approved by the Board, in the case of grants to the CEO). PSUs are granted under the LTIP.

Each PSU notionally represents the value of one Common Share on the date of grant. Additional partial PSUs are credited to each PSU participant equal to the value of cash dividends paid on the same number of Common Shares, based on the Market Value at the time cash dividends are paid on the Common Shares.

The HRCC annually determines the terms of the PSU grants including the performance period and performance measures, considering the recommendations from the CEO and advice from external advisors. The number of PSUs that vest can range from 0% to 200% of the target number of units based on actual performance at the end of three years against select performance measures aligned with the long-term business strategy. Performance measures include a balance of financial and market objectives to continue to reward executives for strong performance aligned with creating value for shareholders.

2023-2025



The PSUs vest at the end of a three-year period and may be settled in cash or in Common Shares, at the discretion of the HRCC. If settled in cash, the participant will receive, subject to any withholding obligations, a lump sum payment equal to the number of vested PSUs held by the participant multiplied by the Market Value on such date. If settled in Common Shares, the participant will receive, subject to any withholding obligations, the number of Common Shares that is equal to the number of vested PSUs.

Restricted share units

The LTIP provides for grants of RSUs to employees of Definity and its subsidiaries, as selected by the CEO and approved by the HRCC (or as approved by the Board, in the case of grants to the CEO). The RSUs operate similarly to the PSUs, but without the performance conditions. Each RSU notionally represents the value of one Common Share on the date of the grant. Additional partial RSUs will be credited to each RSU participant equal to the value of cash dividends paid on the same number of Common Shares, based on the Market Value at the time cash dividends are paid on the Common Shares.

A participant's award will vest at the end of the applicable performance period and may be settled in cash or in shares, at the discretion of the HRCC. If settled in cash, the participant will receive, subject to any withholding obligations, a lump sum payment equal to the number of vested RSUs held by the participant multiplied by the Market Value on such date. If settled in Common Shares, the participant will receive, subject to any withholding obligations, the number of Common Shares that is equal to the number of vested RSUs.

Awards paid for the 2021 – 2023 performance period

Following completion of the IPO, RUs and PUs were adjusted so that such awards appreciate or depreciate with our Common Share price. In addition, the number of PUs that vested was contingent on Definity Insurance's performance against pre-established targets for COR, GWP growth, and strategic initiatives for 2021 and performance against pre-established targets for Operating ROE and Relative Total Shareholder Return of Definity Financial Corporation for 2022 and 2023.

| | 2021 | 2022 | 2023 |
|------------------------------------|---|---|---|
| Measure (in-year weighting) | COR (33%), GWP (17%), Strategic initiatives (50%) | Operating ROE (50%) and Relative Total Shareholder Return (50%) | Operating ROE (50%) and Relative Total Shareholder Return (50%) |
| Weighting | 1/3 | 1/3 | 1/3 |

The performance factor for the PUs was 183.3%.

2024 long-term incentive grants

In 2024, the NEOs were granted PSUs and RSUs under the LTIP and Stock Options under the Stock Option Plan, weighted 60%, 20%, and 20% respectively. The target value of grants of PSUs, RSUs and Stock Options to Mr. Saunders was 325% of his 2024 base salary and the target value of grants to Messrs. Mather, Richenberger and MacDonald was 120% of their base salary. The target value of Mr. Dey's grant was the same as in 2023 (as a percentage of his 2024 salary). The PSUs and RSUs will vest at the end of three years, with the PSUs vesting based on performance against operating ROE targets as well as Total Shareholder Return relative to the S&P/TSX Composite Index. One quarter of the Stock Options will vest on each of the first four anniversaries of the grant date, and the Stock Options will expire 10 years after the grant date, other than in the case of retirement.

Stock Options

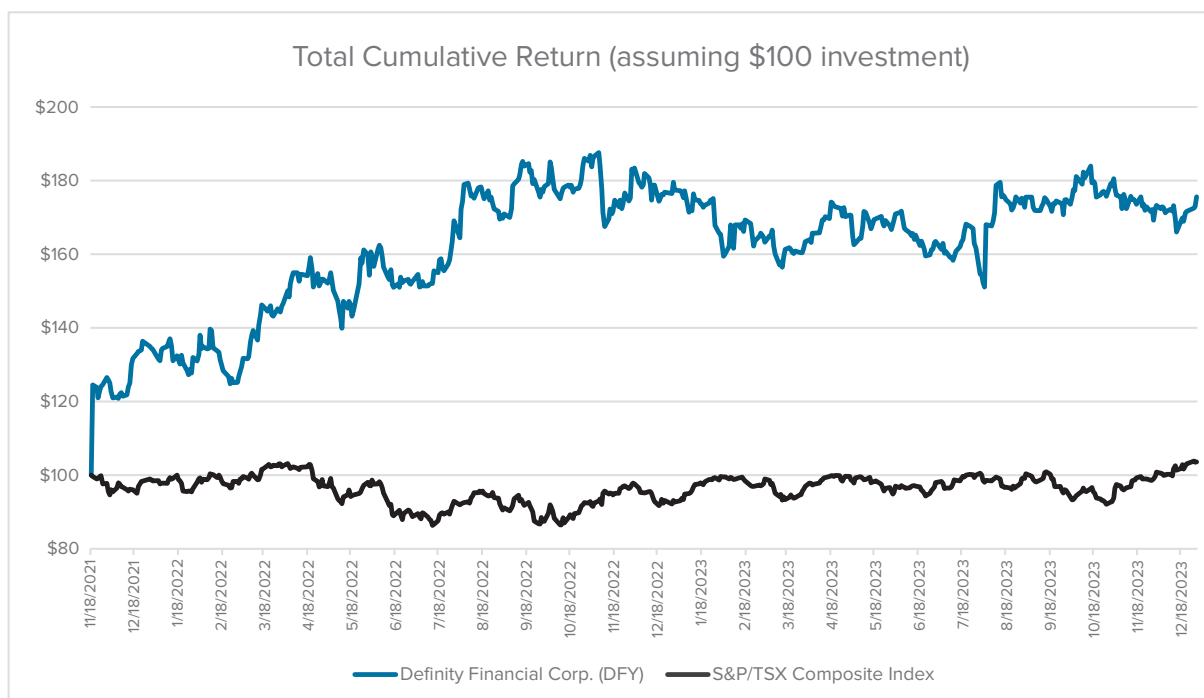
The Company has a stock option plan (the "Stock Option Plan") designed to focus and reward executives for sustained performance and creating long-term shareholder value. Described above, Stock Options form part of the Long-Term Incentives and were granted in 2023 and 2024.

Benefits and perquisites

All executives participate in a group benefits plan that provides health, dental, and out-of-country benefits coverage on a cost-sharing basis. In addition, executives receive an annual cash allowance in lieu of a perquisite program.

PERFORMANCE GRAPH

The following graph compares the total cumulative return of \$100 invested in Common Shares with the total cumulative return of the S&P/TSX Composite Index for the period between November 18, 2021 and December 31, 2023. Definity's total shareholder return, including reinvested dividends, of 75.6% for this period, was significantly higher than the S&P/TSX Composite Index's total shareholder return of 3.6%. The compensation awarded to our NEOs, comprised of salary, annual incentives and share-based awards, was appropriately aligned with the Company's performance, and shareholders' and S&P/TSX Composite returns.



COMPENSATION DETAILS — INDIVIDUAL PAY AND PERFORMANCE OUTCOMES¹



ROWAN SAUNDERS

President and Chief Executive Officer

Mr. Saunders joined the Company in November 2016. His key responsibilities include the establishment of the Company's purpose, vision, business objectives and strategy (in conjunction with the Board and Management). He is also responsible for developing and implementing the strategic plan, setting annual and longer-term objectives, and establishing a high-performing, values-led and risk aware leadership culture.

In 2023, his key accomplishments included:

- strong financial performance in a complex and challenging year with COR at 95.9%, despite 6.2 points of catastrophe losses, and GWP growth of 9.4%, exceeding \$4 billion for the first time;
- expanded the National Broker Platform to almost \$1 billion in GWP with the purchase of McFarlan Rowlands Insurance and Drayden Insurance, significantly diversifying our earnings;
- successful CBCA continuance achieved;
- sustained positive growth in Sonnet, our digital platform, including continued momentum within the affinity market and the launch of a usage-based insurance product;
- effective management of the risk environment, with proactive approaches to inflationary trends, managing the regulatory environment and national catastrophe capability maturation; and
- sustained strong employee and broker engagement.

| 2023 Pay | 2023 | |
|----------------------------------|-------------|-------------|
| | Target (\$) | Actual (\$) |
| Salary | 1,000,000 | 1,000,000 |
| Short-term incentive | 1,000,000 | 1,344,100 |
| Total cash | 2,000,000 | 2,344,100 |
| LTIP (PSUs, RSUs) | 2,200,000 | 2,200,000 |
| Stock options | 550,000 | 550,000 |
| Total direct compensation | 4,750,000 | 5,094,100 |

¹ Values in these tables represent total base salary, short-term and long-term incentives only and may differ from the values in the Summary Compensation table.

**PHILIP MATHER**

EVP and Chief Financial Officer

Mr. Mather has been with the Company since 2011 and his key accountabilities include providing financial and business leadership and partnering with the other senior business leaders and function heads to establish annual and three-year financial plans.

In 2023, his key accomplishments included:

- successful implementation of IFRS17, constituting completion of a multi-year program including accounting, actuarial and technology changes requiring broad stakeholder engagement;
- significant progress in capital deployment, with continued build-out of distribution capabilities, and strong capital management including robust capital generation, progress with rating agency engagement and expansion of debt facility to \$700M following successful continuance to CBCA;
- robust growth in net investment income through proactive management of the investment portfolio in order to capture increasing yields while appropriately managing the portfolio risk profile;
- focused and targeted expense management initiatives; and
- successful renewal of reinsurance program in a continued firm market environment.

| Pay Mix | 2023 | |
|----------------------------------|-------------|-------------|
| | Target (\$) | Actual (\$) |
| Salary | 500,000 | 500,000 |
| Short-term incentive | 400,000 | 497,500 |
| Total cash | 900,000 | 997,500 |
| LTIP (PSUs, RSUs) | 440,000 | 440,000 |
| Stock options | 110,000 | 110,000 |
| Total direct compensation | 1,450,000 | 1,547,500 |



FABIAN RICHENBERGER

EVP, Commercial Insurance and Insurance Operations

Mr. Richenberger has been with the Company since 2017 and is responsible for establishing and delivering the vision, strategy and annual business plans for the commercial lines business, claims organization and sales and distribution team, as well as providing oversight over the development and performance of our National Broker Platform.

In 2023, his key accomplishments included:

- excellent financial performance in the commercial insurance portfolio, exceeding all key financial and operational targets and achieving industry leading growth;
- 15.4% increase in GWP supported by strong retention and rate achievement and growth in new business, with full year COR of 88.8%;
- continued strengthening of commercial talent and portfolio management capabilities to drive continued strong results;
- significant expansion of National Broker Platform in 2023, with the addition of McFarlan Rowlands Insurance, Drayden Insurance and a number of smaller brokerages
- strengthened key claims senior leadership talent and improved NPS scores and claims operational efficiencies; and
- sustainment of strong employee engagement scores across all areas of leadership responsibility.

| Pay Mix | 2023 | |
|----------------------------------|-------------|-------------|
| | Target (\$) | Actual (\$) |
| Salary | 550,000 | 550,000 |
| Short-term incentive | 440,000 | 591,250 |
| Total cash | 990,000 | 1,141,250 |
| LTIP (PSUs, RSUs) | 484,000 | 484,000 |
| Stock options | 121,000 | 121,000 |
| Total direct compensation | 1,595,000 | 1,746,250 |

**PAUL MACDONALD**

EVP, Personal Insurance and Digital Channels

Mr. MacDonald joined the Company in 2018 to lead our personal insurance business. He is accountable for establishing the strategy for our personal lines business and overseeing its plans to deliver continued profitability and growth, inclusive of our digital business through Sonnet.

In 2023, his key accomplishments included:

- adapted and increased both the intensity and number of corrective actions needed to effectively mitigate volatile market conditions for the personal lines portfolio;
- achieved strong GWP growth of 4.9% in personal auto and 9.9% in personal property;
- attained profitable combined operating ratios of 98.3% in personal auto and 99.3% in personal property despite auto inflationary pressures, regulatory pricing constraints and an unprecedented wildfire season;
- advanced key Sonnet initiatives including the implementation of usage-based insurance, targeted growth of the affinity portfolio, and enhancement of the servicing strategy; and
- strengthened capability in digital deployment, user experience, and continuous improvement and furthered innovation agenda, with the implementation of targeted artificial intelligence capabilities.

| Pay Mix | 2023 | |
|----------------------------------|-------------|-------------|
| | Target (\$) | Actual (\$) |
| Salary | 450,000 | 450,000 |
| Short-term incentive | 360,000 | 425,250 |
| Total cash | 810,000 | 875,250 |
| LTIP (PSUs, RSUs) | 396,000 | 396,000 |
| Stock options | 99,000 | 99,000 |
| Total direct compensation | 1,305,000 | 1,370,250 |



INNES DEY

SVP, Legal and Strategy

Mr. Dey has been with the Company since 2011, and leads our Legal function, our Corporate Strategy Office and our Integrated Marketing and Communication team. In parallel, he has been accountable for leading the Company through its demutualization journey, developing and implementing our ESG strategy, and building M&A integration capabilities across the organization.

In 2023, his key accomplishments included:

- highly effective government relations advocacy resulting in Definity’s continuance to the CBCA pursuant to regulatory amendments secured in 2022, providing strategically critical flexibility for the Company;
- extensive strategy development and decision support work across the businesses and with our board of directors;
- ongoing enhancement of enterprise-wide M&A integration readiness;
- productivity improvement initiatives supporting recurring annual savings within our claims litigation unit; and
- significant advancement of our ESG agenda, including progressive operational integration, strengthened ESG reporting, and improved third party ratings.

| Pay Mix | 2023 | |
|----------------------------------|-------------|-------------|
| | Target (\$) | Actual (\$) |
| Salary | 450,000 | 450,000 |
| Short-term incentive | 225,000 | 265,781 |
| Total cash | 675,000 | 715,781 |
| LTIP (PSUs, RSUs) | 324,000 | 324,000 |
| Stock options | 81,000 | 81,000 |
| Total direct compensation | 1,080,000 | 1,120,781 |

SUMMARY COMPENSATION TABLE

The following table sets out information concerning the compensation earned by the NEOs for the three most recently completed financial years:

| Name and principal position | Year | Salary ⁽¹⁾ (\$) | Share-based awards (\$) ⁽²⁾ | Non-equity incentive plan compensation (\$) | | | | All other compensation ⁽⁵⁾ (\$) | Total compensation (\$) |
|--|------|-------------------------------|---|---|---------------------------------------|---------------------------|--------------------------------------|---|----------------------------|
| | | | | Option-based awards (\$) | Annual incentive plans ⁽³⁾ | Long-term incentive plans | Pension value ⁽⁴⁾ (\$) | | |
| Rowan Saunders | 2023 | 1,000,000 | 2,200,000 | 550,000 | 1,344,100 | - | 498,100 | 49,350 | 5,641,550 |
| President and Chief Executive Officer | 2022 | 998,558 | 2,750,000 | - | 1,735,700 | - | 712,900 | 880,109 | 7,077,267 |
| | 2021 | 925,000 | 2,035,000 | - | 1,665,000 | - | 708,500 | 51,435 | 5,384,935 |
| Philip Mather | 2023 | 500,000 | 440,000 | 110,000 | 497,500 | - | 31,560 | 103,210 | 1,682,270 |
| EVP and Chief Financial Officer | 2022 | 499,038 | 550,000 | - | 692,945 | - | 30,780 | 819,285 | 2,592,048 |
| | 2021 | 449,769 | 495,000 | - | 648,000 | - | 29,210 | 75,267 | 1,697,246 |
| Fabian Richenberger | 2023 | 550,000 | 484,000 | 121,000 | 591,250 | - | 31,560 | 103,712 | 1,881,522 |
| EVP, Commercial Insurance and Insurance Operations | 2022 | 548,750 | 605,000 | - | 789,410 | - | 30,780 | 844,510 | 2,818,450 |
| | 2021 | 485,000 | 533,500 | - | 659,600 | - | 29,210 | 82,352 | 1,789,662 |
| Paul MacDonald | 2023 | 450,000 | 396,000 | 99,000 | 425,250 | - | 31,560 | 84,739 | 1,486,549 |
| EVP, Personal Insurance and Digital Channels | 2022 | 449,327 | 495,000 | - | 583,478 | - | 30,780 | 744,997 | 2,303,581 |
| | 2021 | 415,000 | 456,500 | - | 547,800 | - | 29,210 | 67,129 | 1,515,639 |
| Innes Dey | 2023 | 450,000 | 324,000 | 81,000 | 265,781 | - | 31,560 | 73,687 | 1,226,028 |
| SVP, Legal and Strategy | 2022 | 449,519 | 405,000 | - | 364,830 | - | 30,780 | 448,382 | 1,698,511 |
| | 2021 | 424,231 | 682,500 | - | 350,625 | - | 29,210 | 61,994 | 1,548,560 |

Notes:

⁽¹⁾ Represents base salary earned during the year. These numbers may differ from the annual salary rate due to payroll schedules.

⁽²⁾ Represents the grant date fair market value of RSUs and PSUs granted to each NEO. The units were granted at a price of \$36.48 and the NEOs received the following number of units: Saunders (15,077 RSU, 45,231 PSU), Mather (3,016 RSU, 9,047 PSU), Richenberger (3,317 RSU, 9,951 PSU), MacDonald (2,714 RSU, 8,142 PSU) and Dey (2,221 RSU and 6,662 PSU).

⁽³⁾ Represents annual bonus amounts under the STIP for each NEO. No NEO elected to convert their 2023 STIP into DSUs in accordance with the DSU Plan. See "Compensation Discussion & Analysis – Summary of Securities Based Compensation Arrangements – Executive Deferred Share Unit Plan" for more information.

⁽⁴⁾ The amount in this column for Mr. Saunders represents the compensatory value of our defined benefit pension plan and supplementary pension plan as at December 31, 2023. The amounts in this column for Messrs. Mather, Richenberger, MacDonald and Dey represent the compensatory value of our defined contribution pension plan as at December 31, 2023.

⁽⁵⁾ The amounts in this column represent contributions by the Company to each NEO's Definity Share Ownership Program account, supplementary pension plan and interest accrued on each NEO's supplementary pension plan and final payments under the CEO's Award Program (for 2022). In early 2019, the board of Definity Insurance approved a non-recurring special program intended to help ensure continuity of management, strategy, and execution of our business priorities during a defined period. Under this program, a small number of key individuals, including each of the NEOs, received one-time deferred cash awards with one-third paid to participants (subject to certain conditions) in mid-2020 and the remainder paid to participants (subject to certain conditions) in December 2022. The NEOs received the following amounts under the CEO's Award Program: Saunders \$833,333, Mather \$725,000, Richenberger \$750,000, MacDonald \$666,667 and Dey \$375,000. Mr. Saunders also received a commuting allowance. Perquisites or other personal benefits to NEOs did not, in the aggregate, exceed \$50,000 or 10% of their base salary.

INCENTIVE PLAN AWARDS

The following table sets out all outstanding share-based awards and option-based awards for each NEO as at December 31, 2023.

| Name | Option-based Awards | | | | Share-based Awards | | |
|---------------------|---|----------------------------|------------------------|---|---|---|---|
| | Number of securities underlying unexercised options (#) | Option exercise price (\$) | Option expiration date | Value of unexercised in-the-money options (\$) ¹ | Number of shares or units of shares that have not vested (#) ² | Market or payout value of share-based awards that have not vested (\$) ³ | Market or payout value of vested share-based awards not paid out or distributed (\$) ⁴ |
| Rowan Saunders | 73,432 | 36.48 | 02/21/2033 | 77,838 | 279,440 | 10,490,178 | 0 |
| Philip Mather | 14,687 | 36.48 | 02/21/2033 | 15,568 | 61,084 | 2,293,093 | 785,525 |
| Fabian Richenberger | 16,155 | 36.48 | 02/21/2033 | 17,124 | 66,540 | 2,497,912 | 422,963 |
| Paul MacDonald | 13,218 | 36.48 | 02/21/2033 | 14,011 | 55,623 | 2,088,087 | 0 |
| Innes Dey | 10,815 | 36.48 | 02/21/2033 | 11,464 | 46,042 | 1,728,417 | 436,440 |

¹ Represents Stock Option value as of December 29, 2023, based on TSX closing price of \$37.54.

² Outstanding RUs, PUs, RSUs and PSUs granted pursuant to the MTIP and LTIP.

³ Represents market value as of December 31, 2023 under the MTIP and LTIP in respect of RUs and PUs, RSU and PSUs (valued assuming a performance factor of 100%), based on December 29, 2023 TSX closing price of \$37.54.

⁴ Represents market value as of December 31, 2023 under the Executive DSU Plan in respect of DSUs based on December 29, 2023 TSX closing price of \$37.54.

The following table sets out the value of incentive plan awards vested or earned for each NEO during the past year.

| Name | Share-based awards – Value vested during the year (\$) ⁽¹⁾ | Non-equity incentive plan compensation – Value earned during the year ⁽²⁾ (\$) |
|---------------------|---|---|
| Rowan Saunders | 6,196,873 | 1,344,100 |
| Philip Mather | 1,602,829 | 497,500 |
| Fabian Richenberger | 1,787,073 | 591,250 |
| Paul MacDonald | 1,529,088 | 425,250 |
| Innes Dey | 1,465,592 | 265,781 |

Notes:

⁽¹⁾ Represents payout value under the MTIP in respect of RUs and PUs granted in 2020.

⁽²⁾ Represents annual bonus under the STIP. No NEO elected to convert their 2023 STIP into DSUs in accordance with the DSU Plan. See “Compensation Discussion & Analysis – Summary of Securities Based Compensation Arrangements – Executive Deferred Share Unit Plan” for more information.

SUMMARY OF SECURITIES BASED COMPENSATION ARRANGEMENTS

Stock Option Plan

The aggregate number of Common Shares reserved for issuance upon the exercise of all Stock Options granted under the Stock Option Plan and upon vesting of awards under the LTIP may not exceed 5,500,000 Common Shares (the “Equity Award Pool Limit”). No Stock Options may be granted on terms requiring settlement in newly issued Common Shares if such grant would have the effect of causing the total number of Common Shares subject to the Stock Option Plan (together with those Common Shares which may be issued pursuant to any other security-based compensation arrangement provided by the Company) to exceed the Equity Award Pool Limit.

In addition, (a) the maximum number of Common Shares issued to insiders within any one-year period pursuant to the Stock Option Plan, together with Common Shares issued to insiders under all other security-based compensation arrangements of the Company, shall not exceed 10% of the issued and outstanding Common Shares, and (b) the maximum number of Common Shares issuable to insiders, at any time, pursuant to the Stock Option Plan, together with Common Shares issuable to insiders under all other security-based compensation arrangements provided by the Company, shall not exceed 10% of the issued and outstanding Common Shares. For more information on the Stock Option Plan, see Appendix C – Securities Based Compensation Arrangements – Stock Option Plan.

Long-term Incentive Plan

The aggregate number of Common Shares that may be issued pursuant to the LTIP at any time shall not (together with Common Shares reserved for issuance upon exercise of Stock Options issued under the Stock Option Plan) exceed the Equity Award Pool Limit. No RSUs or PSUs will be granted on terms requiring settlement in newly issued Common Shares if such grant would have the effect of causing the total number of Common Shares subject to the LTIP (together with Common Shares which may be issued pursuant to any other security-based compensation arrangement provided by the Company) to exceed the Equity Award Pool Limit.

In addition, (a) the maximum number of Common Shares issued to insiders within any one-year period pursuant to the LTIP, together with Common Shares issued to insiders under all other security-based compensation arrangements of the Company, shall not exceed 10% of the issued and outstanding Common Shares and (b) the maximum number of Common Shares issuable to insiders, at any time, pursuant to the LTIP, together with Common Shares issuable to insiders under all other security-based compensation arrangements provided by the Company, shall not exceed 10% of the issued and outstanding Common Shares. For more information on the Long-term Incentive Plan, see Appendix C – Securities Based Compensation Arrangements – Long-term Incentive Plan.

Executive Deferred Share Unit Plan

The Executive DSU Plan provides eligible executives with the opportunity to elect to receive a portion of their annual STIP payment in the form of DSUs, representing a unit equivalent in value to a Common Share in accordance with the terms of the Executive DSU Plan. Such DSUs are fully vested upon being credited to an eligible executive's account.

The eligible executive, or the beneficiary of an eligible executive, is entitled to redeem the DSUs following the eligible executive's death, disability, resignation or retirement from the Company or termination (with or without cause) as an employee, or if such eligible executive becomes a member of the Board, upon resignation or retirement as a director. All DSUs granted under the Executive DSU Plan, and any payments made under the Executive DSU Plan in respect of any DSUs, are subject to clawback or recoupment as permitted or mandated by applicable law, rules, regulations or any Company policy as enacted, adopted or modified from time to time.

Securities Authorized for Issuance Under Equity Compensation Plans

At December 31, 2023, there were 182,042 Stock Options outstanding under the Stock Option Plan and no equity grants outstanding under the Long-term Incentive Plan.

| Plan Category | Number of securities to be issued upon exercise of outstanding Options, warrants and rights | Weighted-average exercise price of outstanding options, warrants and rights (\$) | Number of securities remaining available for future issuance under equity compensation plans |
|--|---|--|--|
| Equity compensation plans approved by security holders | 182,042 | 36.52 | 5,317,958 |
| Equity compensation plans not approved by security holders | – | – | – |
| Total | – | – | 5,317,958 |

For more information on the equity compensation plans, see Appendix C – Securities Based Compensation Arrangements.

The table below provides additional information on the Stock Option Plan for the past three years.

| | Stock Options as a % of outstanding common shares for applicable fiscal year ¹ | | |
|---|---|------|------|
| | 2023 | 2022 | 2021 |
| Burn Rate (the number of options issued each year expressed as a percentage of the weighted-average number of outstanding shares for the applicable fiscal year) | 0.16% | 0% | 0% |

¹ Weighted average number of outstanding common shares for the applicable fiscal year is used for the burn rate calculation.

RETIREMENT BENEFITS

Our retirement benefits include registered pension plans and a supplementary pension plan:

- Rowan Saunders participates in the defined benefit pension plan and the supplementary pension plan
- Philip Mather, Fabian Richenberger, Paul MacDonald, and Innes Dey participate in the defined contribution pension plan and the supplementary pension plan

Defined benefit pension plan

We closed the defined benefit pension plan to new entrants in 2003. However, Mr. Saunders was added to the plan in November 2016 as part of the terms of his employment.

The defined benefit pension plan pays a monthly pension when the executive retires, according to the following terms. Normal retirement age is 65, but employees can retire earlier (from age 55) as long as they have worked full-time for at least two years. Pension benefits are unreduced starting at age 62.

| | |
|---|--|
| How the pension amount is calculated | Years of credited service x 2% of the average salary and short-term incentive (up to target) for the highest remunerated five years of service (adjusted if the participant has less than five years of active service). |
| Payments depend on retirement age | Retirement at age 62 or higher – full pension. Retirement between 55 and 62 – pension benefit is reduced by 0.5% for each month following the date of retirement until age 62. |
| When payments begin | Payments begin on the first day of the month after the participant's retirement date and continue to be paid every month until they die. |
| What happens when the participant dies | <p>If the participant is single at retirement and dies before receiving 120 monthly payments, the participant's beneficiary will receive:</p> <ul style="list-style-type: none"> monthly payments until a total of 120 payments have been made, or the value of the remaining payments in a lump sum. <p>If the participant has a spouse at retirement, the monthly payments will be reduced to 60% and paid to the spouse until they die. If the spouse has predeceased the participant, pension benefits end with the participant's death and monthly payments stop.</p> |

Supplementary pension plan

The *Income Tax Act* (Canada) limits the benefits that can be paid by defined benefit pension plans. We use the supplementary pension plan to top up the pension benefits earned under the defined benefit pension plan. Monthly payments begin and are made at the same time payments are made under the defined benefit pension plan.

We prefund all or some of the payments through a retirement compensation arrangement (as defined in the *Income Tax Act* (Canada)). We can cancel the supplementary pension plan and close the retirement compensation arrangement at any time.

Defined benefit obligation

The table below shows:

- years of credited service at the end of 2023 for Mr. Saunders,
- the estimated annual benefit payable under the defined benefit pension plan and the supplementary pension plan, and
- a reconciliation of the defined benefit obligation from December 31, 2022 to December 31, 2023, calculated using the same assumptions and methods used in our financial statements.

| Name | Number of years of credited service (#) | Annual benefits payable | | Opening present value of defined benefit obligation ⁽²⁾ (\$) | Compensatory change ⁽³⁾ (\$) | Non-compensatory change ⁽⁴⁾ (\$) | Closing present value of defined benefit obligation ⁽⁵⁾ (\$) |
|----------------|---|-------------------------|-------------------------------|---|---|---|---|
| | | At year end (\$) | At age 65 ⁽¹⁾ (\$) | | | | |
| Rowan Saunders | 7.167 | 260,100 | 474,000 | 2,960,500 | 498,100 | 494,500 | 3,953,100 |

Notes:

⁽¹⁾ The information shown in this column was determined based on the final average earnings of the participant as at December 31, 2023 and years of credited service projected up to age 65 (assuming full-time employment).

⁽²⁾ The information shown in this column was determined by using the same assumptions and methods used for December 31, 2022 financial statement reporting purposes.

⁽³⁾ Includes employer service cost (total service cost net of employee contributions), differences between actual and estimated earnings and any additional changes that have a retroactive impact.

⁽⁴⁾ Includes all items that are not compensatory, such as an interest cost on the liability and service cost, employee contributions and a change in the discount rate (from 5.20% to 4.65%)

⁽⁵⁾ The information shown in this column was determined by using the same assumptions and methods used for December 31, 2023 financial statement reporting purposes and the actual 2023 pensionable earnings of \$1,998,558 (Basic Salary: \$1,000,000; Bonus \$998,558)

Defined contribution pension plan

The amount in each executive's defined contribution pension plan depends on how long the executive has been working at the Company, the amount of their pensionable earnings, and the investment returns generated by the plan's assets. Participating executives have access to this benefit when they retire.

| | |
|--|--|
| How the employer contribution is calculated | <p>We contribute 8% of each year's pensionable earnings to the executive's defined contribution plan.</p> <p>Pensionable earnings are defined as each year's salary + short-term incentive (the actual bonus earned, or the target for the year — whichever is lower).</p> <p>Executives can also make voluntary contributions to an employee savings plan. We match these contributions dollar for dollar, contributing up to a maximum of 3.5% of pensionable earnings to the executive's defined contribution plan.</p> |
| The value of the benefit | At retirement, the accumulated value of the executive's defined contribution plan may either be transferred to a locked-in retirement vehicle or used to purchase a life annuity. |
| What happens when the participant dies | <p>If the participant is single at retirement, the participant's beneficiary will receive the total amount in the defined contribution plan, including interest, in a lump sum.</p> <p>If the participant has a spouse at retirement, the spouse will receive the total amount in the defined contribution plan, including investment returns, in a lump sum or as a transfer to a registered retirement savings plan ("RRSP").</p> |

Supplementary pension plan

The defined contribution pension plan is governed by pension legislation that limits annual contributions. We automatically credit any contributions we make that exceed this limit to the supplementary pension plan. All credits to the supplementary pension plan are made to an unfunded notional account and are tracked and recorded.

The balance in the notional account earns interest and accumulates tax-free (similar to a RRSP). When the executive leaves the Company, retires or dies, the full value of their notional account is paid out and is fully taxable at that time.

Defined contribution obligation

The table below shows:

- the value of each executive's defined contribution pension plan and notional account as of January 1, 2023,
- contributions made by the Company to the defined contribution pension plan and notional account in 2023 (the compensatory change), and
- the accumulated value of our contributions plus the value of the notional account (with investment returns) at December 31, 2023.

| Defined contribution obligation | Accumulated value at start of year (\$) | Compensatory change (\$) | Accumulated value at year end (\$) |
|---------------------------------|---|--------------------------|------------------------------------|
| Philip Mather | 1,033,323 | 103,412 | 1,222,469 |
| Fabian Richenberger | 549,815 | 113,735 | 698,973 |
| Paul MacDonald | 386,203 | 93,088 | 508,751 |
| Innes Dey | 737,069 | 77,597 | 871,174 |

OTHER BENEFITS

Each NEO, as well as all other employees of the Company and certain of its subsidiaries, can participate in the employee share ownership plan (the "Definity Share Ownership Plan") pursuant to which employees have the opportunity to invest in Common Shares through voluntary personal contributions and employer contributions. Eligible employees of the Company and its subsidiaries are permitted to invest in Common Shares through payroll deductions up to a maximum percentage of their base salary and the Company or the relevant subsidiary, as applicable, will match 100% of such contributions up to an annual maximum amount of \$1,500. All purchases of Common Shares under the Definity Share Ownership Plan, whether through personal or employer contributions, are made in the open market.

EMPLOYMENT AGREEMENTS, TERMINATION AND CHANGE OF CONTROL BENEFITS

The Company has written employment agreements and change of control agreements with each of the NEOs. Each NEO is entitled to receive compensation established by the Company, as well as other benefits in accordance with plans available to our most senior employees.

Confidentiality and Restrictive Covenants

Our employment agreements with the NEOs provide for confidentiality obligations that apply during the course of employment and afterwards. They provide that NEOs may not, without authorization, disclose any confidential information (unless required by law and prior written notice is provided to the Company), and they must return all confidential information when they leave the Company.

The employment agreements also provide that, during the course of employment and for 9-12 months afterwards, NEOs cannot without our consent be employed by, carry on business with, or (other than minimal holdings of publicly-traded shares) hold a financial interest in another property and/or casualty insurer in Canada or be responsible for business activities that are competitive with the Company's business activities.

In addition, during the course of employment and for one year afterwards, the employment agreements specify that NEOs cannot, without our consent, solicit any of the Company's customers, suppliers, or business partners for any purpose that would compete with the Company or reduce the Company's business. The employment agreements also specify that during the same period, NEOs also cannot, without our consent, solicit for hire any Company employees.

Termination and Change of Control Benefits

We have change of control agreements with each NEO that entitle them to payments if there is a change of control of the Company.

We also have employment agreements with each of the NEOs that stipulate their severance entitlements in certain other circumstances.

Our change of control provisions are "double-trigger," which means they only take effect when there is a change of control and termination of employment, either by us without cause or by the executive for good reason (as defined in the relevant agreements), within 18 months after a change of control.

The table below summarizes the terms for the incremental payments we will make to the NEOs when employment is terminated or there is a change in control of the Company (based on our compensation plans in effect as of December 31, 2023). These terms are either specified in each executive's employment agreement or defined by the terms of the compensation plans. If a term isn't specified, it is determined by common law.

Summary of termination and change-of-control provisions

| | Retirement | Voluntary resignation ⁽¹⁾ |
|-------------------------------|---|--|
| Severance | <ul style="list-style-type: none"> • None | <ul style="list-style-type: none"> • Any salary that was scheduled to be paid in the resignation notice period |
| Short-term incentive | <ul style="list-style-type: none"> • Pro-rated | <ul style="list-style-type: none"> • Any award that was scheduled to be paid during the resignation notice period |
| Long-term incentive | <ul style="list-style-type: none"> • Vests after the end of the performance period • Payout is based on performance (as determined by the HRCC) | <ul style="list-style-type: none"> • Any award that was scheduled to be paid during the resignation notice period |
| All other compensation | <ul style="list-style-type: none"> • None | <ul style="list-style-type: none"> • Perquisites that were scheduled to be paid in the resignation notice period • Continuation of any Company-subsidized benefits plans for the resignation notice period |

| Termination for just cause ⁽²⁾ | Termination without cause | Termination without cause after change of control ⁽³⁾ |
|---|--|---|
| <ul style="list-style-type: none"> • Outstanding salary | <ul style="list-style-type: none"> • Outstanding salary • A severance payment equal to an amount that represents between 12 to 24 months of both (i) the named executive's monthly salary and (ii) pro-rated, monthly STIP entitlement valued at target | <ul style="list-style-type: none"> • Outstanding salary • 18-24 months of salary (highest salary at any time during the 36 months before the termination) • 18-24 months of short-term incentive valued at target |
| <ul style="list-style-type: none"> • Forfeited | <ul style="list-style-type: none"> • Any unpaid award that was earned for the most recently-completed fiscal year • The award for the year of termination calculated at target but pro-rated for the period of employment prior to termination | <ul style="list-style-type: none"> • Any unpaid award that was earned for the most recently-completed fiscal year • Target award, pro-rated for number of complete months in the fiscal year of the termination up to the termination date |
| <ul style="list-style-type: none"> • Forfeited | <ul style="list-style-type: none"> • Payment in respect of any units that have vested but are not yet paid out • All other units forfeited | <ul style="list-style-type: none"> • Units vest immediately, as though all performance conditions have been met (unless the HRCC determines otherwise) |
| <ul style="list-style-type: none"> • Outstanding perquisite payments | <ul style="list-style-type: none"> • Continued participation in all benefit plans, perquisites and pension plan for the statutory notice period • A lump sum payment equal to 15% of the severance payment amount in lieu of future contributions to the named executive's pension and benefit plans • \$10,000 of professional outplacement services | <p>Mr. Saunders:</p> <ul style="list-style-type: none"> • Continued participation in all benefit plans, perquisites and pension plan for the statutory notice period • A lump sum payment equal to 15% of the severance payment amount in lieu of future contributions to the named executive's pension and benefit plans • \$10,000 of professional outplacement services • Awards under CEO's Award Program <p>All other NEOs:</p> <ul style="list-style-type: none"> • Regular benefits for up to 12 months or until the executive retires or is employed full-time and eligible to participate in a group insurance plan similar to ours or a lump sum equal to our total cost (without discount or present valuation) of regular benefits for 12 months • A lump sum payment equal to 15% of the severance payment amount in lieu of future contributions to the named executive's pension and benefit plans • \$10,000 of professional outplacement services |

Notes:

⁽¹⁾ Mr. Saunders' resignation notice period is three months and the resignation notice period for the other NEOs is two months.

⁽²⁾ In the event of a termination without cause, and if the NEO is retirement eligible, the NEO will be provided with the option to retire if the value of the NEO's unvested equity exceeds the amount provided for under the terms of their employment agreement. "Retirement eligible" is defined as being at least 55 years old and having at least 5 years of service.

⁽³⁾ Includes a named executive terminating his own employment for good reason (as defined in the relevant agreements). In the event of a termination without cause after a change of control, the NEOs have the choice of receiving their entitlement under termination without cause or termination without cause after change of control (whichever is higher).

Estimated incremental payments on termination or change of control

The table below shows the value of the estimated incremental payments or benefits that would accrue to each NEO on termination of their employment following retirement, termination with cause/resignation, termination without cause or termination without cause after a change of control, assuming their employment was terminated on December 31, 2023. Amounts are before deducting any withholdings.

The value of share-based compensation consists of awards previously granted and disclosed on page 49. Share-based awards were valued based on the December 29, 2023 TSX closing price of \$37.54.

| Event | Rowan Saunders | Philip Mather | Fabian Richenberger | Paul MacDonald | Innes Dey |
|--|---|---------------|---------------------|----------------|-----------|
| Retirement⁽¹⁾ | – | – | – | – | – |
| Termination with cause/resignation | – | – | – | – | – |
| Termination without cause | | | | | |
| Severance | 4,000,000 | 1,800,000 | 1,485,000 | 1,215,000 | 1,012,500 |
| Short-term Incentive | 1,344,100 | 497,500 | 591,250 | 425,250 | 265,781 |
| Share-based compensation | – | – | – | – | – |
| All Other Compensation ⁽²⁾ | 610,000 | 280,000 | 232,750 | 192,250 | 161,875 |
| Termination without cause after change of control | | | | | |
| Severance | 4,000,000 | 1,800,000 | 1,485,000 | 1,215,000 | 1,012,500 |
| Short-term Incentive | 1,344,100 | 497,500 | 591,250 | 425,250 | 265,781 |
| Share-based compensation | The outstanding share-based awards and option-based awards table on page 49 summarizes the NEO's outstanding awards that would vest in the event of a termination without cause after change in control scenario. | | | | |
| All Other Compensation ⁽²⁾ | 610,000 | 280,000 | 232,750 | 192,250 | 161,875 |

Notes:

⁽¹⁾ In the event of a termination without cause, and if the NEO is retirement eligible, the NEO will be provided with the option to retire if the value of the NEO's unvested equity exceeds the amount provided for under the terms of their employment agreement. "Retirement eligible" is defined as being at least 55 years old and having at least 5 years of service and includes Messrs. Saunders, Richenberger and Dey.

⁽²⁾ Consists of a lump sum amount in lieu of pension and health benefits, as well as the maximum allowable budget for outplacement services.

APPROVAL OF THE STATEMENT ON EXECUTIVE COMPENSATION

The Statement on Executive Compensation has been approved by the HRCC.

OTHER INFORMATION

CORPORATE GOVERNANCE PRACTICES

Our Statement of Corporate Governance Practices is set out in Appendix A of this Circular.

INDEBTEDNESS OF OUR DIRECTORS AND EXECUTIVE OFFICERS

None of our directors, executive officers, employees, former directors, former executive officers or former employees, and none of their associates, is or has at any time since the beginning of the most recently completed financial year been indebted to us or another entity whose indebtedness is the subject of a guarantee, support agreement, letter of credit or similar agreement provided by us, except for routine indebtedness as defined under applicable securities legislation in Canada.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

No director or executive officer is, as of the date of this Circular, or was within 10 years before the date of this Circular, a director, chief executive officer or chief financial officer of any company (including Definity Insurance) that, while such person was acting in that capacity (or after such person ceased to act in that capacity but resulting from an event that occurred while that person was acting in such capacity), was the subject of a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was in effect for a period of more than 30 consecutive days.

No director or executive officer: (a) is, as of the date of this Circular, or has been within the 10 years before the date of this Circular, a director or executive officer of any company (including Definity Insurance) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (b) has, within the 10 years before the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director or executive officer, as applicable.

No director or executive officer has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

INDEMNIFICATION AND INSURANCE

We maintain a director and officer insurance program. In addition, we have entered into indemnification agreements with our directors and officers. The indemnification agreements generally require that the Company indemnify and hold the indemnitees harmless for liabilities arising out of the indemnitees' service to the Company as directors and officers, if the indemnitees acted honestly and in good faith with a view to the best interests of the Company and, with respect to criminal and administrative actions or proceedings that are enforced by monetary penalty, if the indemnitees had no reasonable grounds to believe that their conduct was unlawful. The indemnification agreements also provide for the advancement of defence expenses to the indemnitees by the Company.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

No informed person of the Company, proposed director nominee of the Company, or associate or affiliate of any informed person or proposed director nominee, has any material interest in any transactions since the Company's most recently completed financial year or in any proposed transaction, which has materially affected or would materially affect the Company or any of its subsidiaries.

SHAREHOLDER ENGAGEMENT

The Board values open dialogue and the exchange of ideas with the Company's shareholders. In addition to stakeholder feedback measures outlined in the Company's Board Mandate, the Board has adopted a Shareholder Engagement Policy that outlines how the Board communicates with shareholders, including through the management information circular and participation at the annual meeting of shareholders, and how shareholders can communicate with the Board or Management.

To communicate with the Board, shareholders can contact the Board Chair, other independent directors, or the Board as a whole by mail (marking the envelope "Confidential") at Definity Financial Corporation, 111 Westmount Road South, P.O. Box 2000, Waterloo, Ontario, N2J 4S4, Attention: Corporate Secretary, or by email at corporatesecretary@definity.com.

The Board Chair will consider each request, in consultation with the Corporate Secretary. Any request should indicate if the requesting person is a shareholder (or a shareholder representative), and the number and type of shares held; identify anyone other than the shareholder (or shareholder representative) who is proposed to attend the requested meeting; and describe the topic(s) proposed to be discussed. The Board Chair may accept or decline requests for meetings for any reasons the Board Chair deems appropriate, including declining requests where proposed topics are not appropriate or in order to limit the number of such meetings to a reasonable level or to prioritize acceptances based on the interests of all shareholders.

Questions or feedback from shareholders regarding the Company's general business operations, financial results, strategic direction and similar matters should be directed to Management. Shareholders may provide their questions and feedback to Management by writing to Definity Financial Corporation, 121 King St W, Suite 1400, Toronto, Ontario M5H 3T9, Attention: Investor Relations Department, or by email at ir@definity.com.

A copy of the Shareholder Engagement Policy is available on our website at www.definity.com.

SHAREHOLDER PROPOSALS

Shareholder proposals for our 2025 annual meeting must be sent to us in writing in accordance with applicable law. Shareholder proposals may be submitted until 5:00 p.m. (Eastern time) on February 16, 2025 to be considered for inclusion in our management information circular for the 2025 meeting. The proposal must be sent to the Corporate Secretary at 111 Westmount Road South, P.O. Box 2000, Waterloo, Ontario, N2J 4S4.

FOR MORE INFORMATION

Further information relating to the Company may be obtained from its website at www.definity.com and from the SEDAR+ website at www.sedarplus.ca.

Financial information is provided in the Company's comparative financial statements and management's discussion and analysis for the fiscal year ended December 31, 2023 and these documents are accessible through SEDAR+ and on our website. To obtain a copy of these documents at no cost, please contact: Definity Financial Corporation, 111 Westmount Road South, P.O. Box 2000, Waterloo, Ontario, N2J 4S4, or call toll free, within North America, at 1-866-902-4724.

APPROVAL OF THE BOARD

The Board has approved the contents and the distribution of the Circular to the shareholders of the Company.



MICHAEL PADFIELD

Senior Vice President, General Counsel and Corporate Secretary
April 4, 2024

APPENDIX A – STATEMENT OF CORPORATE GOVERNANCE PRACTICES

We believe that sound and effective corporate governance is fundamental to enhancing our Board's ability to guide Management in its efforts to generate long-term value. We uphold standards of corporate governance that reflect applicable legal and regulatory requirements and a thoughtful approach to emerging practices. The Company's corporate governance disclosure obligations are primarily set out in the Canadian Securities Administrators' National Instrument 52-110 ("NI 52-110"), National Instrument 58-101 ("NI 58-101") and National Policy 58-201 ("NP 58-201"). These instruments set out a series of guidelines and requirements for effective corporate governance (collectively, the "Guidelines"). The Guidelines address matters such as the constitution and independence of corporate boards, the functions to be performed by boards and their committees and the effectiveness and education of board members. NI 58-101 requires the disclosure by each listed corporation of its approach to corporate governance with reference to the Guidelines.

Throughout this statement, references to documents and information available on our website. Our website and any information located on it do not form part of this Appendix A. The Board has approved the Statement of Corporate Governance Practices on the recommendation of its Corporate Governance Committee.

Highlights of Corporate Governance Practices

- ✓ Separation of CEO and Chair of the Board
- ✓ Independent Board and Chair: All members of the Board of Directors are independent, except the CEO
- ✓ Only independent directors on all committees of the Board
- ✓ 31% women representation on the Board of Directors throughout 2023 and policy addressing board diversity
- ✓ Minimum director share ownership requirement equivalent to 3x annual retainer
- ✓ Private meetings of independent directors at all board and committee meetings
- ✓ Robust majority voting policy
- ✓ Policy on external positions and interlocking for directors
- ✓ Regular director continuing education programs
- ✓ Effective board evaluation and assessment process

ETHICAL BUSINESS CONDUCT

Code of Conduct

We have adopted a code of business conduct (our "Code of Conduct") that governs the behaviour of our directors, officers and employees and the directors, officers and employees of certain of our subsidiaries, respectively, and describes expected business conduct grounded in our belief that trust and integrity are the foundation of our business. A copy of our Code of Conduct is available on the Company's website at www.definity.com and on SEDAR+ at www.sedarplus.ca.

We are committed to the highest level of legal and ethical standards in business conduct. Each person covered by our Code of Conduct is required to act responsibly, ethically and professionally. The Code of Conduct sets out procedures for monitoring compliance and describes other steps taken to encourage and promote a culture of ethical business conduct. Covered persons are required to avoid actual and potential conflicts of interest and are subject to obligations regarding, among other things, the protection and proper use of corporate assets and opportunities, confidentiality of corporate information, and compliance with applicable laws.

Covered persons are required to acknowledge their obligations and confirm their compliance under our Code of Conduct annually and to disclose, at that time and throughout the year, any known or potential conflicts of interest that arise. Every new employee is required to review the Code of Conduct upon beginning work. Every year, each director, officer and employee is required to provide written confirmation that they have read, and will comply with, the Code of Conduct. We also have a mandatory online learning program to enhance understanding throughout our organization of the values and principles outlined in our Code of Conduct.

As part of its commitment to support ethical decision-making, our Board ensures that effective mechanisms are in place for employees to raise ethical concerns. Our ethics reporting program provides for a toll-free hotline and website that are maintained by an independent third party. Employees can use any of those channels to anonymously and confidentially report any accounting or auditing concern, suspected fraudulent activity or breach of our Code of Conduct. If employees prefer, they can refer concerns to their leader or departmental manager. Our ethics reporting program has processes in place to protect employees who report an incident in good faith or participate in the investigation of a report. Compliance with our Code of Conduct is monitored by Management and reported to Board committees. Significant concerns regarding questionable accounting, controls or auditing matters are automatically communicated to the Chair of the Audit Committee. Alleged breaches of the Code of Conduct are investigated promptly. If, after an investigation, it has been determined that a breach of the Code of Conduct has occurred, a decision will be made as to the appropriate corrective and/or disciplinary action that will be taken.

The Board monitors compliance with the Code of Conduct primarily through our Corporate Governance Committee, which receives regular reports from Management on the attestation process and compliance status, including notices of any material deviation from the Code of Conduct and any corrective action taken. The Board may grant a specific, limited waiver under our Code of Conduct if it determines that the waiver is appropriate under the circumstances. Each situation is considered separately on its merits and a decision in one case has no bearing on any other.

In addition, the Audit Committee is responsible for monitoring compliance with the Code of Conduct in relation to concerns or complaints relating to questionable accounting, or auditing matters, internal controls with respect to financial reporting and disclosure controls and procedures, and for ensuring all such issues are resolved in a satisfactory manner.

Conflicts of Interest

Our directors and executive officers are required by law to act honestly and in good faith with a view to the best interests of the Company, to disclose any personal interest which they may have in any material contract or transaction which is proposed to be entered into with the Company and, in the case of directors, to abstain from voting as a director for the approval of any such contract or transaction.

Pursuant to the terms of the HOOPP Governance Agreement and the Swiss Re Governance Agreement, respectively, any director of the Company nominated on the direction of HOOPP or Swiss Re, respectively, will not be entitled to observe or participate in, and will upon the good faith request of the Board or any committee thereof, as applicable, recuse himself or herself from, any meeting or portion thereof at which the Board or any committee thereof, as applicable, is evaluating and/or taking action with respect to (or receive copies of materials or written resolutions in connection with) the exercise of any of our rights or enforcement of any of the obligations of HOOPP and Swiss Re, as applicable, under the HOOPP Governance Agreement or the Swiss Re Governance Agreement, as applicable, or the HOOPP Subscription Agreement or the Swiss Re Subscription Agreement, as applicable. There are no known existing or known potential material conflicts of interest between the Company and its proposed directors or executive officers as a result of their outside business interests. Edouard Schmid was appointed to the Board as a nominee of Swiss Re pursuant to the Swiss Re Governance Agreement, and Swiss Re or its affiliates may participate as reinsurers in our reinsurance program from time to time; however, this relationship does not constitute known existing or known potential material conflicts of interest between the Company and Mr. Schmid.

We use onboarding and annual directors' questionnaires, in which directors are asked to identify relevant outside business dealings and other companies or entities with which they have relationships, to assist the Board and Management in identifying actual or potential conflict of interest situations in advance. If a director's business or personal relationships present a material personal interest in a business matter or relationship that conflicts, or appears to conflict, with the interests of the Company or its subsidiaries, the issue is referred to the Chair of the Board. Appropriate steps will then be taken to determine whether an actual or apparent conflict exists and to determine whether it is necessary for the director to be excused from discussions relating to the issue.

All material related party transactions, including those in which a director or executive officer has a material interest, require the approval of our Corporate Governance Committee, the Board committee responsible for identifying related-party transactions and policies governing related-party transactions, which may subsequently refer the matter to the full Board for its consideration. Guidelines and policies published by OSFI are considered in the context of related party transactions as the Company's insurance subsidiaries are governed by the ICA.

BOARD OF DIRECTORS

Board Size

Our by-laws provide that our Board will consist of a minimum of seven and a maximum of 21 directors.

Our Board and the Corporate Governance Committee assesses the overall size of the Board, having regard to the results of the annual Board, committee, and director evaluation processes and relevant information concerning prevailing Canadian corporate governance practices, with a view to maintaining a board that is large enough to include the requisite expertise and resources but small enough to promote effective decision-making.

Our directors will hold office for a term expiring at the close of the next annual meeting or until their respective successors are elected or appointed. The nominees for election as directors of the Company are determined by our Board based on the recommendation of its Corporate Governance Committee in accordance with applicable corporate law, the mandate of our Board, the mandate of the Corporate Governance Committee and the Governance Agreements.

Mandate of our Board

The Board is responsible for supervising the management of the business and affairs of the Company and, in doing so, is required to act in our best interests. The Board has adopted a written mandate to confirm and formalize the Board's duties and responsibilities for the stewardship of the Company in the form set forth in Appendix B to the Circular.

The Board will discharge its responsibilities either directly or through its committees. Specific responsibilities set out in the Board's mandate include:

- Appointing and Supervising Management – including final approval of all officer appointments, their compensation and the oversight of succession planning;
- Strategic Planning – including oversight over our business, financial and strategic plans and annual operating budget;
- Monitoring Financial Performance – including the review of our ongoing financial performance and results of operations and review and approval of our public financial disclosure and certain regulatory filings;
- Risk Management – including the identification of principal business risks including cybersecurity risk, climate change risk and the implementation of appropriate systems to effectively monitor and manage such risks;
- Establishing Policies and Procedures – including the approval and monitoring of policies and procedures related to corporate governance, internal controls and ethical business practices;
- Communication and Reporting – including the oversight of the timely and accurate disclosure of financial reports and other material corporate developments; and
- Other Responsibilities – including those related to position descriptions, orientation and continuing education, nomination of directors and Board evaluations.

The Board has delegated certain responsibilities to its committees and requires each to perform certain advisory functions and make recommendations to the Board in accordance with written mandates.

Management is expected to provide effective leadership in all aspects of the activities of Definity, to maintain our corporate culture and motivate employees, and to communicate effectively with employees, brokers, policyholders, and other industry participants. The Board also requires from Management timely information concerning the business and affairs of Definity, including financial and operating information and information concerning industry developments as they occur, all with a view to enabling the Board to discharge its stewardship obligations effectively.

Director Term Limits and Other Mechanisms of Board Renewal

We have not adopted fixed term limits or a mandatory retirement age for directors on the basis that imposing an arbitrary term limit or retirement age would unnecessarily expose the Company to losing the contribution of directors who have valuable business experience and insight into the Company's operations, and who could continue to make significant contributions to the Board and the Company. Given our Board's current composition, average director tenure of approximately eight years, and regular evaluation process, we believe that term limits or a mandatory retirement age are not necessary to achieve the objective of bringing fresh ideas and viewpoints to the Board. Instead, the Corporate Governance Committee will rely on its annual assessment of Board effectiveness as a board renewal mechanism to determine if changes to Board composition are appropriate and also on the board diversity policy to assist in the board renewal and recruitment process.

Majority Voting Policy

When the Company was incorporated under the ICA, it established a Majority Voting Policy in accordance with the requirements of the TSX. Since the Company's continuance to the CBCA on January 1, 2024, it has become subject to the CBCA majority voting requirement for uncontested director elections of distributing corporations, which also comply with TSX requirements.

Independence of Directors

Under NI 58-101, a director is considered to be independent if they are independent within the meaning of NI 52-110. Pursuant to NI 52-110, a director is considered to be independent provided the director is free from any direct or indirect relationship which could, in the view of our Board, be reasonably expected to interfere with a director's independent judgment. Our Board annually determines whether each director is an independent director within the meaning of NI 58-101 by analyzing the director's conduct and relationships with the Company, its affiliates, and others.

Our Board has determined that all of the current members of the Board are independent within the meaning of NI 58-101, other than Rowan Saunders, the Company's CEO.

We recognize the importance of independent leadership on the Board and the Board has appointed John Bowey, an independent director, as Chair of the Board. See "— Position Descriptions".

We do not hold standalone regularly scheduled meetings attended only by our independent directors; however, all Board and committee meetings include in camera sessions during which directors meet separately without Management present and any director may request additional time for this purpose.

External positions and director interlock

Certain proposed directors serve on the boards of other public companies. The Board has adopted guidelines regarding the maximum number of non-Definity boards our directors should serve on and related matters, which include (i) a limit of no more than two of our directors serving on an external public company board together, (ii) directors holding a maximum of three public company directorships, in addition to their membership on our Board (except our CEO or any other director who is a CEO of a public company, who may hold a maximum of one public company directorship, in addition to membership on our Board), (iii) members of the Audit Committee not serving on the audit committees of more than two public companies (in addition to our Audit Committee) and (iv) a limit of no more than one-third of the members of the Human Resources and Compensation Committee being sitting chief executive officer(s) of another company.

Advance Notice By-law

Our by-laws specify that a shareholder who wishes to nominate an individual for election as a director at an annual meeting must provide between 30 and 65 days advance notice to the company. The notice to the company must include information about the nominee, including age, address, principal occupation, the number of Common Shares owned or controlled, and any other information that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for the election of directors. The notice must also include information about the nominating shareholder, including ownership or control of, or rights to vote, Common Shares and any other information that would be required to be disclosed in a dissident's proxy circular in connection with solicitations of proxies for the election of directors. The company may require additional information to be provided, including information to comply with requirements of OSFI relating to the suitability of directors and potential changes to the Board.

The advance notice provisions described above do not apply to nominations made by or on behalf of the board or by shareholders pursuant to shareholder proposals or requisitioned meetings, which have separate requirements and deadlines. In addition, in the case of a special meeting at which directors are to be elected, a shareholder's notice of a nomination must be provided not later than 15 days after the date of the special meeting is announced. The Company's by-laws are available on our website at www.definity.com and on SEDAR+ at www.sedarplus.ca.

COMMITTEES

Our Board has four standing committees: the Audit Committee, the HRCC, the Corporate Governance Committee and the Risk Review Committee. Each committee has a written mandate, which it is required to reassess at least once every three years. The results of those assessments are reported to the full Board.

Audit Committee*Composition of the Audit Committee*

The Audit Committee consists of Robert McFarlane (Chair), Dick Freeborough, Adrian Mitchell, Susan Monteith and Edouard Schmid. Our Board has determined that each member of the Audit Committee is an independent director and financially literate, in each case within the meaning of NI 52-110. In addition, both Mr. Freeborough, as a Fellow of the Chartered Professional Accountants of Ontario and Mr. McFarlane, who served as EVP and CFO of Telus Communications until 2012, are audit financial experts.¹ If elected at the Meeting, the current members of the Audit Committee will continue to serve in those capacities.

Audit Committee Mandate

The Board has adopted a written mandate of the Audit Committee, as included in the Company's Annual Information Form (filed on SEDAR+ at www.sedarplus.ca) and on our website (www.definity.com), setting forth the committee's purpose and responsibilities, consistent with NI 52-110. The Audit Committee mandate outlines the Audit Committee's responsibility for, among other things:

- overseeing the integrity of our financial statements, financial reporting process and control environment;
- reviewing our annual and interim financial statements, MD&A and related public disclosure prior to their release to the public;
- recommending to the Board the external auditor to be appointed for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for us;
- approving annual internal and external audit plans and overseeing the Board's relationship with internal and external auditors including their independence, performance and compensation;
- pre-approving permitted non-audit services provided to us by our internal or external auditors and its affiliates;

¹ "Audit financial expert" is defined as (i) a chartered accountant; (ii) a certified public accountant; (iii) a former or current CFO of a public company or corporate controller of similar experience; (iv) a current or former partner of an audit company; or (v) having similar demonstrably meaningful audit experience.

- establishing policies and procedures for the receipt, retention, and treatment of complaints regarding questionable accounting or auditing matters, internal controls with respect to financial reporting and disclosure controls and procedures, and the confidential, anonymous submission by our employees of concerns regarding any of the foregoing; and
- reviewing and approving our hiring policies regarding past and present partners and employees of our external auditor.

Human Resources and Compensation Committee

The HRCC consists of Elizabeth DelBianco (Chair), Daniel Fortin, Barbara Fraser, Dick Freeborough and Micheál Kelly. Our Board has determined that each member of the HRCC is an independent director within the meaning of NI 52-110. If elected at the Meeting, the current members of the HRCC will continue to serve in those capacities, other than Barbara Fraser who is not standing for re-election.

The Board has adopted a written mandate which outlines the responsibilities of the HRCC with respect to, among other things:

- recommending to the Board the compensation paid to our CEO and, after obtaining the recommendation of our CEO, approving the compensation paid to other members of senior management;
- reviewing retention, development, and succession plans for senior management, including the CEO;
- reviewing the Company's culture, including matters relating to employee equity, diversity, accessibility and inclusion as well as employee engagement and the results of the Company's employee engagement surveys;
- approving the adoption of, or amendments to, incentive compensation plans and grants or awards under such plans, subject to Board approval, as appropriate; and
- approving the "Statement of Executive Compensation" section of the Circular.

Corporate Governance Committee

The Corporate Governance Committee consists of Micheál Kelly (Chair), Elizabeth DelBianco, Adrian Mitchell, Edouard Schmid and Michael Stramaglia. Our Board has determined that each member of the Corporate Governance Committee is an independent director within the meaning of NI 52-110. If elected at the Meeting, the current members of the Corporate Governance Committee will continue to serve in those capacities.

The Board has adopted a written mandate which outlines the responsibilities of the Corporate Governance Committee with respect to, among other things:

- reviewing the overall size, composition and independence of the Board;
- recommending to the Board candidates for Board membership;
- recommending to the Board candidates qualified for appointment or reappointment to Board committees;
- supervising the annual Board, committee and director evaluation process;
- overseeing director orientation and continuing education;
- acting as our Conduct Review Committee, and fulfilling the Board's statutory obligations with respect to related party transaction oversight;
- approving the "Statement of Corporate Governance Practices" and "Director Compensation" sections of our annual proxy circular; and
- periodically reviewing and making recommendations to the Board regarding the adequacy and form of directors' compensation.

Risk Review Committee

The Risk Review Committee consists of Daniel Fortin (Chair), Barbara Fraser, Sabrina Geremia, Robert McFarlane, Susan Monteith and Michael Stramaglia. Our Board has determined that each member of the Risk Review Committee is an independent director within the meaning of NI 52-110. If elected at the Meeting, the current members of the Risk Review Committee will continue to serve in those capacities, other than Barbara Fraser who is not standing for re-election.

The Board has adopted a written mandate which outlines the responsibilities of the Risk Review Committee with respect to, among other things, assisting the Board in fulfilling its oversight responsibilities with respect to the management of the enterprise risk management framework with a view to promoting the achievement of agreed upon risk-adjusted returns and allocating capital accordingly. Specific responsibilities include overseeing:

- the initial identification of major risks facing the Company and the development of strategies to manage and mitigate those risks, including but not limited to cyber security risk and climate change risk;
- the review of Management's assessment of compliance with approved risk management policies, practices and controls related to the Company's capital structure;
- the review of the annual report on the Company's financial condition and periodic stress testing;
- the review of the Company's own risk solvency assessment;
- the effectiveness of the Company's enterprise-wide regulatory compliance management program and framework; and

- the review and monitoring of the Company's capital management plan to support continued solvency based upon both regulatory requirements and its own assessment of the Company's risk profile.

BOARD AND COMMITTEE MEETINGS

The Board meets regularly to review our business operations and financial results. In addition to meeting in relation to annual and quarterly financial results, the Board meets to approve non-financial disclosure documents and as part of our business and strategic planning process. Special meetings are called as necessary, the frequency and nature of which depend on the circumstances and the particular opportunities or risks that we face.

The Chair of any committee may, at any time but with appropriate notice, call a meeting of the Board to consider any matter of concern to it. In addition, meetings of the Audit Committee or the Risk Review Committee may be called at any time at the request of the external auditor, the appointed actuary, the Chief Risk and Actuarial Officer, or the Chief Financial Officer.

Board and committee meetings include management reports to review and discuss specific aspects of our operations.

The independent directors meet in camera at all Board and Committee meetings without the presence of management.

POSITION DESCRIPTIONS

We have adopted written position descriptions for our Chair of the Board, Committee Chairs, individual directors and the CEO. In accordance with its mandate, the Corporate Governance Committee meets periodically to review position descriptions and recommend changes to the Board where necessary.

The Chair of the Board is responsible for the management, development and effective performance of the Board, and for providing leadership to the Board in carrying out its duties. The Chair's specific responsibilities include:

- guiding the conduct of the Board;
- acting as a liaison between the Board and Management; and
- ensuring that appropriate procedures are in place to allow the Board and its committees to function effectively, efficiently and independently of Management.

Chairs of Board committees are responsible for, among other things, scheduling, setting agendas for and presiding over committee meetings and acting as a liaison between the committee and the Board.

Directors are generally expected to possess appropriate knowledge of the business of the Company, and regulatory and industry issues, to effectively contribute to the Board and its committees, and to apply independent judgment on matters brought before them.

The CEO is responsible for, among other things, overseeing day-to-day business affairs, leading our strategic planning and budgeting processes, supervising senior Management, and implementing systems to ensure the integrity of our internal controls, management information systems, and financial reporting.

The position description of the CEO assists with the Board's CEO succession planning process.

COMPENSATION

The Board sets the level of compensation for directors, based on the recommendations of the Corporate Governance Committee. Directors who are also employees of the Company or of any of our subsidiaries will not receive any additional compensation for acting as a director of the Company or of any of our subsidiaries. From time to time, the Corporate Governance Committee reviews the amount and form of compensation paid to directors, taking into account the workload, responsibilities, and risks involved in being an effective director. The committee's review may be conducted with the assistance of outside consultants. For additional information regarding the compensation of our directors, see "Director Compensation" in the Circular.

The HRCC is responsible for making recommendations to the Board regarding the employment terms of our CEO, and for reviewing and approving the recommendations of our CEO regarding the compensation of our other executive officers. The HRCC is also responsible for reviewing and making recommendations to the Board regarding awards under our incentive plans. The HRCC meets in camera to discuss the base salary, annual incentives, and other compensation awarded to our CEO.

See "Committees – Human Resources and Compensation Committee" for more information about that committee. Details of executive compensation and our compensation consulting arrangements are disclosed in the "Statement of Executive Compensation" in the Circular.

NOMINATION AND ASSESSMENT OF DIRECTORS

The responsibilities of the Corporate Governance Committee include serving as our nominating committee. It recommends nominees for election at our annual meeting to the Board and also new candidates for Board membership as the need arises. See " – Corporate Governance Committee".

Candidates for nomination as director may come to the attention of the Corporate Governance Committee from time to time through incumbent directors, Management or third parties and may be considered at meetings of the committee at any point during the year. If the committee believes at any time that the Board requires additional candidates for nomination, it may poll directors and Management for suggestions or conduct research to identify possible qualified candidates either directly or through an external search firm.

At a minimum, candidates are required to have demonstrated: the highest personal and professional integrity; significant achievement in their field; experience and expertise relevant to our business; a reputation for sound and mature business judgment; the commitment to devote the necessary time and effort in order to fulfil their duties effectively; and, where required, financial literacy. Candidates are also screened for conflicts of interest and material relationships that could impact their independence. A skills matrix is prepared to support each search to reflect the prevailing context at the time of the search, taking into account the current and anticipated needs of the Board and its committees in light of the opportunities and risks facing the Company, its strategy and its succession planning needs. In addition, the composition of the Board must meet statutory residence requirements.

The Corporate Governance Committee’s process for identifying and evaluating director nominees generally involves (with or without the assistance of an external search firm) compiling names of potentially eligible candidates, vetting those candidates against the factors described above and a relevant skills matrix, conducting background and reference checks, conducting interviews with candidates and/or others, meeting to consider and approve final candidates and, as appropriate, preparing and presenting to the Board the committee’s recommendations.

DIVERSITY

Board Diversity

We believe that a board of directors made up of strong directors with the right skill sets, who also represent diverse personal experiences and backgrounds, promotes better corporate governance.

Our Board has adopted a written board diversity policy relating to multiple dimensions of diversity, over and above the identification and nomination of women directors. The objective of the policy is to promote better corporate governance by enabling the Board to deliberate with broader perspectives and deeper insight. Under the policy, when identifying candidates to recommend for election to the Board, the Corporate Governance Committee gives consideration to diversity factors, along with business experience, functional expertise, personal skills, and integrity, taking into account the level of diversity on the Board and representation of women, members of visible minorities, members of Indigenous Peoples, persons with disabilities and LGBTQ+, provided women and men shall each represent at least 30% of all directors. In addition, the Corporate Governance Committee may engage a qualified independent external advisor to conduct a search for candidates that meet our diversity factors.

Every year, the Corporate Governance Committee assesses the effectiveness of the board diversity policy by considering the extent to which its objectives have been met and making such recommendations to the Board as it deems necessary or appropriate. The board diversity policy requires the Corporate Governance Committee to consider the level of representation of women, members of visible minorities, members of Indigenous Peoples, persons with disabilities and LGBTQ+, when identifying candidates to recommend for election to the Board. Further, to reflect the Board’s continued commitment to diversity, the policy has a target to have at least one director that identifies as a member of a visible minority or an Indigenous People, a person with a disability, or LGBTQ+ by its annual meeting in 2026, and we aspire to have at least two directors who each identify as a member of these communities by that time and maintain at least that level thereafter.

The CGC in its recruiting efforts has integrated diversity factors into the board renewal and recruitment process with a view to meeting the board diversity targets and aspirational objective.

Targets for representation of designated groups on the board of directors

| Designated groups | Target | Expected timeframe to achieve target | Progress toward achieving target |
|--------------------------------------|---|--------------------------------------|----------------------------------|
| Women | 30% of all directors | In force | Met |
| Indigenous peoples | At least one director and aspire for two directors on the Board | By 2026 | Met |
| Members of visible minorities | | | |
| Persons with disabilities | | | |
| LGBTQ+ | | | |

The Board and the Corporate Governance Committee wish to underscore the importance with which they consider factors related to diversity, business experience and skills in our efforts to recruit new directors. Our emphasis on diversity is consistent with our board diversity policy, and the importance of diversity, equity, inclusion and accessibility to Definity’s corporate strategy.

As of the date of this Circular, women comprised 31% (four individuals) of our Board. Upon the retirement of Barbara Fraser from the Board of Directors at the Company's upcoming Meeting, and assuming all nominees are elected to the Board at the Meeting, women will comprise 25% (three individuals) of our Board, and approximately 27% of the independent members of our Board.

A director recruitment process is currently underway with a view to maintaining a level of representation of women of at least 30%, subsequent to what we anticipate will be extraordinarily falling below 30% as of the date of the Meeting. We exceeded 30% representation of women on our Board throughout 2023 (including as of the date of our 2023 annual meeting) and into 2024, and we expect to continue exceeding that level through to the date of the Annual Meeting. Through the process currently underway, the Board and the Corporate Governance Committee are committed to achieving at least 30% representation of women on the Board at or prior to the next annual meeting subsequent to the Meeting,

Further, the Board and the Corporate Governance Committee are committed to the addition of at least one racially or ethnically diverse director at or prior to the next annual meeting subsequent to the Meeting,

We make these commitments taking account of our belief that a board of directors made up of strong directors with the right skill sets, who also represent diverse personal experiences and backgrounds, promotes better corporate governance.

Representation of designated groups on the board of directors (as of the date of this Circular)

| Designated groups | Number | Percentage |
|--|--------|------------|
| Women | 4 | 31% |
| Indigenous peoples | 0 | 0% |
| Members of visible minorities | 0 | 0% |
| Persons with disabilities | 0 | 0% |
| LGBTQ+ | 1 | 7.7% |
| Number of individuals that are members of more than one designated group | 0 | 0% |

Management Diversity

Our HRCC oversees the diversity programs we have in place for employees at all levels of the Company, including our executives.

We believe that diversity, inclusion, equity, and accessibility are key drivers in contributing to our success. We actively promote a culture that recognizes the importance of having employees who bring diverse perspectives and experiences that reflect the customers and communities that we serve.

We have a strategic commitment to sourcing and developing diverse talent. When making decisions on executive officer appointments, we consider the leadership capability, business experience, functional expertise and diverse backgrounds and experiences of candidates, as well as the level of representation of women in executive officer positions. As of December 31, 2023, women represented 58% of our overall workforce and comprised 23% (three individuals) of our executive officers (as defined in applicable securities laws in Canada) and 42% of our leadership roles (manager and above). To reflect our active promotion of a culture of inclusion and collaboration, we have established diversity targets, such that at our vice-president and executive leadership levels, women and men each represent at least 30%, and Black, Indigenous, people of colour, LGBTQ+, and persons with disabilities represent at least 15%, by 2026. Please note that our categories for designated groups at the management level are different from the categories for board diversity noted above.

Targets for representation of designated groups at vice-president level and above (including executive officers)

| Designated groups | Target | Expected timeframe to achieve target | Progress toward achieving target |
|--|--------|--------------------------------------|--|
| Women | 30% | By 2026 | Explicit metrics added to individual executive objectives that address increasing the proportion of women in leadership positions |
| Black | 15% | | |
| Indigenous peoples | | | |
| Members of visible minorities / people of colour | | | |
| Persons with disabilities | | | Target and timeline established for achieving target; dimensions of diversity considered when making vice-president and executive officer appointments |
| LGBTQ+ | | | |

We have established a committee on diversity and inclusion which plays a critical role in developing our diversity and inclusion strategy including its plans and measures. We have four employee groups in place: Anti-Racism and Culture Equity; LGBTQ+; Women’s Empowerment; Disability and Accessibility Awareness. These employee groups are connected to our diversity and inclusion committee and advocate for diversity awareness, identify barriers and opportunities for inclusion, and champion the advancement of underrepresented groups into leadership roles.

We have also established a Management role that has responsibility for facilitating inclusion across our organization through partnership with our leaders and employees, and by contributing financial support to charitable organizations that help create inclusive communities. As of 2023, we added explicit metrics to individual executive objectives that address increasing the proportion of women in leadership positions. This goal is aligned with the goals established for our sustainability-linked loan facility.

Representation of designated groups among executive officers

| Designated groups | Number | Percentage |
|---|--------|------------|
| Women | 3 | 23% |
| Black | 0 | 0% |
| Indigenous peoples | 0 | 0% |
| Members of visible minorities / people of colour | 1 | 7.7% |
| Persons with disabilities | 2 | 15.4% |
| LGBTQ+ | 0 | 0% |

ORIENTATION AND CONTINUING EDUCATION

The Corporate Governance Committee oversees orientation for new directors, which includes information on the role of the Board, its committees, and individual directors, as well as relevant Company and industry information. Each new director is provided access to up-to-date information on our corporate and organizational structure, recent public disclosure documents and financial information, our corporate documents (including our constating documents), Board and committee mandates, key corporate policies, including our Code of Conduct, and details regarding directors’ and officers’ indemnification and insurance coverage. Each new director attends orientation presentations by our senior management. As well, new directors have regular and ready access to fellow directors and to senior management.

The Corporate Governance Committee reviews information on available external education opportunities and ensures that directors are aware of relevant opportunities. We provide our directors with an annual budget of \$3,000 each to fund participation in external education and development opportunities, and we also provide them with membership in the Institute of Corporate Directors.

Presentations are made regularly to the Board and committees to educate and keep them informed about industry trends, changes within the Company and in legal, regulatory and industry requirements and standards, and directors’ duties and the corporate governance landscape. In addition to attending sessions provided by other boards our directors serve on, our directors attended sessions in 2023 that were organized by third parties including:

- Actuarial Risk Management
- Aird and Berlis LLP
- Balsillie School of International Affairs
- Barclays Capital
- Bennett Jones LLP
- BlackRock, Inc.
- Board Ready Women
- Business Council of British Columbia
- Business Council of Canada
- Caldwell Partners
- Canadian Club
- Canadian Imperial Bank of Commerce
- Canadian Institute for Advanced Research
- Canadian Institute of Actuaries
- Canadian Public Accountability Board
- Catalyst Canada
- Chatham House
- City National Bank
- Compensation Committee Leadership Network
- Conference of Defence Associations Institute
- Council on Foreign Relations
- Datamaran
- Debevoise & Plimpton LLP
- Deloitte LLP
- Diligent
- Directors and Boards
- Egon Zehnder International

- Equitable Bank
- Ernst & Young LLP
- European Judicial Network
- Financial Services Club
- Financial Times
- Global Risk Institute
- Google
- Governance Professionals of Canada
- Hansell LLP
- HSBC Bank
- Hugessen Consulting Inc.
- Institute of Corporate Directors (Canada)
- Institute of Internal Auditors
- Institute of Sustainable Finance
- Intelligent Insurer
- International Telecommunications Society
- Investment & Life Assurance Group
- Korn Ferry
- KPMG International
- Massachusetts Institute of Technology
- McKinsey & Company
- Microsoft Corporation
- Milken Institute
- NASDAQ
- National Association of Corporate Directors
- Northwind Professional Institute
- OSFI
- Osler, Hoskin & Harcourt LLP
- Pew Research Center
- PH&N RBC Asset Management
- PricewaterhouseCoopers International Limited
- Pro Bono Economics
- Queen’s University Smith School of Business
- RBC Asset Management
- Ramsay Inc.
- Responsible Investing Association
- Reuters
- Risk@Work
- Risk Management Association
- Roots Automation
- Rotman School of Business
- Royal United Services Institute
- S&P Global Ratings
- Scotiabank
- SkyBridge Capital
- Sloan School of Management
- Smith School of Business
- Society of Actuaries
- Southlea
- Strathmore University Business School
- Swiss Re
- The Economist
- The Globe and Mail
- The Institute and Faculty of Actuaries (UK)
- The Logic
- Ticker Club
- TMX Group Limited
- TPG Capital
- United Nations
- Universities across Canada and the U.S.
- Warren Partners
- Wolters Kluwer
- Women in Capital Markets

During 2023, the Board and its committees engaged in numerous in-depth “deep dive” sessions addressing aspects of the Company and its business, which often included elements of general education as well as deeper insights into ongoing and emerging aspects of our business and operating environments. Other topics presented in 2023 included board oversight of climate change risk, generative AI, cloud computing, Board duties in the context of an M&A transaction, Canadian financial services M&A environment and catastrophe risk management. The Board also held a two-day Board strategy meeting addressing various business, industry and Company-specific topics, with presentations from both Management and external groups.

BOARD AND DIRECTOR EVALUATION

The Corporate Governance Committee is responsible for annually assessing the effectiveness and contribution of the Board as a whole, of each Board committee and of individual directors. A formal assessment process is conducted every other year, involving the circulation of self-assessment questionnaires to the full Board (in the case of Board and director evaluations) and to each committee member (for the relevant committee evaluation). The results of the assessment questionnaires are compiled and forwarded to the Chair of the Corporate Governance Committee. Evaluation results are reported to the Corporate Governance Committee and each committee (in relation to its own performance) and the Board after the assessment is complete.

Every year, the Chair of the Board and the Chair of the Corporate Governance Committee together interview each director to obtain their feedback and discuss any aspect of the Company's corporate governance that the director may wish to discuss. The Chair of the Board meets with each director to discuss views on the performance of their fellow directors through a peer review. The Chair of the Corporate Governance Committee also meets with each director to discuss the performance of the Chair of the Board. The Chair of the Corporate Governance Committee evaluates the performance of the Chair of the Board in that role based on feedback and evaluation results and meets privately with the Chair of the Board to share the results of that evaluation. Interview insights are reported to the Corporate Governance Committee and the Board after the interviews are complete.

All assessment questionnaires and interviews are strictly confidential to encourage full and frank commentary from our directors.

The Chair of the Board meets annually with each independent director to provide and receive feedback on their individual contributions to the Board and related matters.

APPENDIX B – BOARD OF DIRECTORS MANDATE

This mandate provides terms of reference for the Board of Directors (the “Board”) of Definity Financial Corporation (the “Company”).

PRIMARY RESPONSIBILITIES OF THE BOARD

(a) General

The Board is responsible for the stewardship of the Company and for supervising the management of the business and affairs of the Company. In doing so, each director must act honestly and in good faith with a view to the best interests of the Company, and exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

The Board must stay informed of the Company’s affairs, be actively engaged in the development of the Company’s strategic direction and oversee how management executes direction. In doing so, the Board is responsible for appointing a competent executive management team and for monitoring the management of the business of the Company by that team.

This mandate sets out the primary responsibilities of the Board, but shall in no way be construed as limiting the matters that the Board may consider in the course of discharging its duties or as limiting the exercise of a director’s independent judgment.

The Board will carry out its mandate either directly or through the following standing committees of the Board: Audit Committee, Human Resources and Compensation Committee, Corporate Governance Committee and Risk Review Committee. Subject to applicable law, the Board may establish other Board committees on a temporary or permanent basis or merge or dispose of any Board committee.

Each such committee will be governed by a written mandate outlining the committee’s purpose and responsibilities, committee membership criteria, structure and operations (including any authority of the committee to delegate powers to individual members, subcommittees and management), and the manner in which the committee will report to the Board.

(b) Integrity of management

The Board will satisfy itself that management is acting in the best interests of the Company, upholding the highest standards of ethical behavior, and creating a culture of integrity throughout the Company. The Board will satisfy itself that management is striving to enhance the financial value and long-term sustainability of the Company.

The Board will satisfy itself as to the integrity of the president and chief executive officer, senior management and other employees of the Company through monitoring compliance with the Company’s Code of Business Conduct (the “Code”) and its ethics reporting procedures. The Board will satisfy itself that the president and chief executive officer and senior management create and maintain a culture of integrity throughout the organization.

(c) Strategic planning and execution

The Board will:

- require the president and chief executive officer to develop and present to the Board the objectives and strategies which the president and chief executive officer proposes to pursue in managing the business and affairs of the Company, together with an implementation plan, which takes into account, among other things, the Company’s strengths and weaknesses, the opportunities for and threats to the Company’s business and the Company’s risk tolerance level established by the Board;
- assess the appropriateness of the Company’s objectives, whether the strategies are reasonably capable of being executed successfully, and whether its strategies, if successfully executed, are reasonably likely to achieve the stated objectives;
- monitor management’s implementation of the strategies and the Company’s progress toward achieving its objectives; and
- ensure that all significant corporate transactions are submitted for its approval.

(d) Principal risks and risk management systems

The Board will:

- review with management the principal business risks to the Company and gain and maintain reasonable assurance that appropriate procedures are implemented to identify, monitor, manage and mitigate those risks;
- gain and maintain reasonable assurance that effective systems are in place to monitor the integrity of the Company’s internal controls and management information systems;
- gain and maintain reasonable assurance that management processes are in place to address and comply with applicable laws and regulations, including applicable corporate, securities and regulatory requirements; and
- confirm and monitor that processes are in place to comply with the Company’s bylaws, Code and ethics reporting program.

(e) Financial reporting, controls and public disclosure

The Board will gain reasonable assurance that the Company has a system in place for communicating to relevant stakeholders and, where appropriate, to the public, including processes for consistent, transparent and timely public disclosure. In doing so, the Board will:

- gain and maintain reasonable assurance that the Company maintains the communications systems to effectively communicate with its stakeholders and provide full, accurate and timely public disclosure where appropriate;
- gain and maintain reasonable assurance that the Company has information and reporting systems that are reasonably designed to provide timely accurate information sufficient to allow management and the Board to reach informed decisions;
- gain and maintain reasonable assurance as to the integrity, comprehensiveness and effectiveness of the Company's internal control environment;
- nominate a firm of public accountants for appointment as the external auditor and fix the compensation and engagement terms for the external auditor;
- when appropriate, pre-approve all non-audit services proposed to be provided to the Company or its subsidiary entities by the external auditor, or adopt specific policies and procedures for the engagement of such services;
- establish policies regarding the hiring of partners, employees and former partners and employees of the present and any former external auditor;
- appoint, direct and oversee the work of the Company's internal audit function;
- review the Company's financial statements, management's discussion and analysis and related disclosures, including financial information extracted or derived from the Company's financial statements, before such information is released to the Company's stakeholders or the public;
- gain and maintain reasonable assurance that the Company complies with applicable laws, regulations, rules, policies and other regulatory requirements; and
- receive reports from the chair of the Board regarding the reasonableness of expenses incurred by the president and chief executive officer and receive reasonable assurance from the internal auditors that expenses of all senior executives conform to Company policy.

(f) Investment management

The Board will gain and maintain reasonable assurance:

- that the assets of the Company are invested in compliance with applicable law, including (to the extent applicable) the *Insurance Companies Act* (Canada);
- that the Company's Investment Policy Statement ("IPS") is prudent and aligns with the risk appetite established by the Board;
- as to the Company's investment performance and compliance with the IPS;
- that the investment management and performance of the Company's pension plans are appropriately monitored, including as to compliance with the Pension Plan Statement of Investment Policies and Procedures;
- as to the quality and effectiveness of the work of investment managers for the pension plans; and
- as to management's assessment of the economic, capital markets and regulatory environments and the impact of these influences on the Company's investment portfolios, strategies and operations.

(g) People

The Board will:

- select and appoint a president and chief executive officer;
- establish a written position description for the president and chief executive officer, which reflects the Board's delegation to the president and chief executive officer of powers and authority to manage the business and affairs of the Company and which delineates the president and chief executive officer's responsibilities;
- approve the terms and conditions of the president and chief executive officer's employment by the Company, including any changes to such terms and conditions;
- establish, maintain and implement a process for annually assessing the performance of the president and chief executive officer, taking into account the president and chief executive officer's position description and the goals and objectives of the Company which have been approved by the Board and which the president and chief executive officer is responsible for meeting;

- be responsible for approving the compensation of the president and chief executive officer;
- receive the recommendation of the president and chief executive officer regarding the appointment of the chief executive officer's executive direct reports and any other executives responsible for the corporate oversight functions as may be designated by the Human Resources and Compensation Committee for this purpose and, upon agreement, approve such appointments;
- review and approve the terms and conditions of each such executive's employment by the Company, including any material changes to such terms and conditions;
- review and approve all written employment contracts of such executives;
- approve any termination of the president and chief executive officer;
- receive the recommendation of the president and chief executive officer concerning the designation of corporate officers and approve all such designations;
- review and oversee the Company's succession plans for senior management; and
- oversee and monitor the Company's initiatives with respect to equity, diversity, inclusion and accessibility.

In addition, the Board will gain and maintain reasonable assurance regarding the adequacy and effectiveness of:

- the Company's policies and practices to attract, develop and retain the human resources required by the Company to meet its objectives;
- the Company's staff-level and executive compensation and incentive programs;
- the design, operation and governance of the Company's benefit programs and pension plans;
- the Company's policies and processes relating to the health and safety of the Company's employees; and
- the Company's policies and practices for monitoring and developing the skills of management and employees.

(h) Corporate governance

To support the Company's high standard in governance practices, the Board will:

- establish an appropriate framework to allow the Board to function independently of management;
- appoint a Corporate Governance Committee composed of independent directors;
- clearly articulate what is expected from a director by developing position descriptions for directors, the Board chair, and the chair of each Board committee;
- establish limits of authority delegated to management;
- periodically review Board compensation and succession planning;
- review and assess the adequacy of the mandates of the Board and each Board committee and determine on an annual basis the degree to which those mandates have been fulfilled;
- promote among its directors a culture that embodies:
 - acceptance of the Board's accountability for the Company's performance;
 - the conviction that directors owe each other their best efforts in carrying out their duties and exercising their authority;
 - the highest level of honesty and integrity in all actions of the Board, management and other senior managers and employees of the Company;
 - open sharing of all relevant information among directors and among directors and management; and
 - trust, respect and the acceptance and respect of differing opinions; and
- oversee and monitor the Company's environmental, social and governance initiatives, including with respect to equity, diversity, inclusion and accessibility.

BOARD ORGANIZATION

(a) Qualifications

The Board will determine Board member qualifications from time to time, taking into consideration the Company's strategic direction, the competencies and skills the Board as a whole is expected to possess, and the competencies and skills possessed by existing directors with a view to optimizing the contribution that each director makes to the Board. The Board will only recruit Board members who have sufficient time and energy to devote to the task of being a director, and will take into account the needs of the Company over the short, medium and long terms when recruiting.

Each director must have an understanding of the Company's principal operational and financial objectives, plans and strategies, and financial position and performance. Directors must have sufficient time to carry out their duties and not assume responsibilities that would materially interfere with, or be incompatible with, Board membership. Directors who experience a significant change in their personal circumstances, including a change in their principal occupation, are expected to advise the chair of the Corporate Governance Committee.

(b) Composition

The Board will consist of directors who represent a range of personal experiences and backgrounds. At a minimum, each director candidate will have demonstrated: the highest personal and professional integrity; significant achievement in their field; experience and expertise relevant to the Company's business; a reputation for sound and mature business judgment; the commitment to devote the necessary time and effort to conduct their duties effectively; and, where required, financial literacy. The Board will also ensure compliance with any applicable legislation related to Canadian residency requirements for directors.

(c) Size

The Board will periodically review the size of the Board with a view to ensuring that it reflects applicable independence requirements, facilitates effective decision-making and complies with the Company's constating documents.

(d) Term of office

The Board has not established a specific number of years a director may serve on the Board. Directors are elected annually and may stand for re-election upon approval by the Board based on the recommendation of the Corporate Governance Committee.

(e) Board chair

The directors will select from among their number a Board chair who will assume responsibility for providing leadership to enhance the effectiveness and independence of the Board. The Board chair also manages the affairs of the Board so as to assist the directors in carrying out their responsibilities with a view to enhancing the effectiveness of the Board as a whole. The Board chair will be an independent, non-management director. If in any year, the Board does not appoint a chair, the incumbent chair will continue in office until a successor is appointed.

(f) Board committees and selection

The Board shall approve mandates for each Board committee. The Board has delegated to the applicable committee those duties and responsibilities set out in each committee's mandate. At least once every three years, each mandate shall be reviewed by the Corporate Governance Committee and any suggested amendments brought to the Board for consideration and approval.

The Corporate Governance Committee, in consultation with the Board chair as well as with the committee chairs in respect of the committees which they respectively chair, will recommend to the Board those directors it considers qualified for appointment to each Board committee. Committee assignments will be reviewed annually and rotation of assignments will be considered periodically, taking into account the special expertise and knowledge required for each position, applicable regulatory requirements, directors' interests, abilities and prior committee service, and the directors' available time to devote for committee service.

In addition, the Board will select, upon recommendation from the Corporate Governance Committee, from among committee members a chair for each committee who will assume responsibility for providing leadership to enhance the effectiveness and independence of their committee. Each such Committee chair will be an independent director. If in any year, the Board does not appoint a chair for a particular committee, the incumbent chair of that committee will continue in office until a successor is appointed.

(g) Independent directors

The Board will ensure that director candidates presented for election or appointed by the Board to fill vacancies are such that, after giving effect to such election or appointment, the Board is composed of a majority of independent directors.

In addition, every member of the Human Resources and Compensation Committee, the Corporate Governance Committee, the Audit Committee and the Risk Review Committee shall be an independent director. Each member of the Audit Committee shall also be financially literate and shall have such accounting or financial management expertise as may be required to comply with applicable regulations as may be in effect from time to time.

For these purposes, director independence and financial literacy will be determined in relation to Canadian securities legislation and stock exchange rules which would apply to the Company as a publicly-traded company in Canada.

(h) Change of occupation, directorships or independence

Directors may serve on the boards of other companies so long as these commitments do not materially interfere and are compatible with their ability to fulfill their duties as a member of the Board. Directors must advise the Board chair in advance of accepting an invitation to serve on the board of any company, entity or government board, agency or commission.

Each director shall promptly advise the Company's corporate secretary in writing of each directorship held in relation to a company, entity or government board, agency or commission in any jurisdiction, and any material change in their principal employment (including retirement from their principal employment). In addition, directors have an ongoing obligation to inform the Board (by advising the chair of the Corporate Governance Committee) of any changes in their circumstances or relationships that may affect the Board's determination as to their independence.

(i) Conflicts of interest

A director's business or personal relationships may occasionally give rise to a personal interest in a material business matter or relationship of the Company that conflicts, or appears to conflict, with the interests of the Company. In such circumstances, the issue should be raised with the Board chair. Appropriate steps will then be taken to determine whether an actual or apparent conflict exists, and in accordance with statutory requirements, determine whether it is necessary for the director to be excused from discussions on the issue.

In addition, each director must ensure that they are free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Company, other than interests and relationships arising from holding shares or insurance policies of the Company.

BOARD AND COMMITTEE MEETINGS

The Board will meet as often as the Board considers appropriate to fulfill its duties. The Board chair or the chair of any committee may, at any time but with appropriate notice, call a meeting of the Board to consider any matter of concern to it.

Notice of the time and place of each meeting of the Board shall be given to each director not less than 48 hours before the time when the meeting is to be held. Notwithstanding the foregoing, in the event that the Board fixes by resolution the time and place of one or more meetings of the Board and a copy of such resolution is sent to each director, no other notice shall be required to be given to the directors for the meetings whose times and places are so fixed.

The chair of the Board is responsible, in consultation with the president and chief executive officer and the corporate secretary, for establishing the agenda for each Board meeting. Each director may suggest items for inclusion on the agenda, and may raise at any Board meeting subjects that are not on the meeting agenda.

Directors are expected to regularly attend Board meetings and committee meetings (as applicable) and to review in advance all materials for such meetings. The corporate secretary, their delegate or any other person requested by the Board or a committee shall act as secretary of Board meetings and committee meetings, as applicable, and shall record minutes for such meetings.

The Board shall be entitled to meet in private session or, at its option, with one or more members of management, other employees of the Company or its subsidiaries, and/or the Company's appointed actuary, external auditor, internal auditor, counsel or other advisors. Unless the Board chair determines otherwise, the agenda for each Board meeting will afford an opportunity for the independent directors to meet separately without management at its beginning and its end.

With limited exceptions, in camera sessions should not be used to conduct Board business and are generally not minuted. The chair of the Board should discuss relevant follow up items and other issues raised in camera with the appropriate members of senior management without attribution as soon as practicable following the meeting.

Board committees shall conduct themselves in accordance with the Committee Operating Procedures set out in Appendix A.

ETHICAL BUSINESS CONDUCT

To encourage and promote a culture of ethical business conduct throughout the Company, the Board will establish, maintain and monitor compliance with the Code, which applies to all directors, officers and employees of the Company and addresses (at a minimum):

- conflicts of interest, including transactions and agreements in respect of which a director or member of management has a material interest;
- protection and proper use and exploitation of the Company's assets and opportunities;
- confidentiality of private information relating to the business and affairs of the Company;
- fair and ethical dealing with the Company's customers, suppliers, competitors and employees;
- compliance with applicable laws, rules and regulations; and
- reporting of any illegal or unethical behavior or other breaches of the Code.

Waivers of compliance with the Code granted for the benefit of any director or member of management are to be granted only by the Board or an appropriately empowered committee of the Board.

INDEPENDENT ADVICE

Any director may, in consultation with the chair of the Corporate Governance Committee and at the Company's expense, engage and terminate independent counsel or other advisors to provide advice to them with respect to the discharge of their duties as a director. In addition, each Board committee shall have the authority to engage and terminate independent counsel and such other outside advisors as the committee deems necessary to carry out its duties, and to set and (at the expense of the Company) pay the compensation for any independent counsel or other outside advisor engaged by the committee.

EVALUATION

The Board will establish appropriate processes for the regular evaluation of:

- the effectiveness and performance of the Board, Board committees, Board chair, Committee chairs and individual directors; and
- the adequacy and effectiveness of the Board and committee mandates, and the position descriptions applicable to the Board chair, Committee chairs and individual directors.

ORIENTATION AND CONTINUING EDUCATION

The corporate secretary will make arrangements for the orientation and education of new directors. New directors will be provided with written materials that outline the organization of the Board and its committees, the powers and duties of directors, the required standards of performance for directors, the Code (including its ethics reporting program) and this mandate.

The corporate secretary, in consultation with the president and chief executive officer, will arrange private meetings with members of senior management.

All directors shall be provided with continuing education opportunities to maintain and enhance directors' skills and abilities as directors and to permit directors' knowledge and understanding of the Company's business and affairs to remain current. These may include, among other things, presentations from management, site visits and/or presentations from industry experts.

MEASURES FOR RECEIVING FEEDBACK FROM STAKEHOLDERS

The Company endeavours to keep its stakeholders informed of its progress through its public disclosure and regulatory filings.

Interested stakeholders are invited, after all significant public announcements (including the release of interim and annual financial information), to discuss with designated spokespersons the impact of such information on the Company. Stakeholders may also contact the Board with any questions or concerns regarding the Company by contacting the corporate secretary at:

111 Westmount Road South
Waterloo, Ontario N2L 2L6
Tel: 519-570-8200
Toll-free: 1-800-265-2180

All such correspondence will, when received, be promptly reviewed by the corporate secretary, who will determine whether the correspondence should be forwarded immediately to the Board as a whole or any particular member or whether the correspondence should be presented to the Board at its next regular meeting. The corporate secretary will consult with the chair of the Board if there is a question concerning the need for immediate review by the Board or by any member of the Board.

NO RIGHTS CREATED

This mandate is a statement of broad policies and is intended as a component of the flexible governance framework within which the Board, assisted by its committees, directs the affairs of the Company. While it should be interpreted in the context of all applicable laws, regulations and listing requirements (if any), as well as in the context of the Company's letters patent and bylaws, it is not intended to establish any legally binding obligations.

APPENDIX A COMMITTEE OPERATING PROCEDURES

The following operating procedures apply to each committee (each a “Committee”) of the Board of Directors of the Company.

Frequency of meetings. The Committee shall meet as frequently as applicable regulatory requirements or circumstances dictate. Regular meetings of the Committee shall be held in accordance with a schedule prepared by the corporate secretary in consultation with the chair of the Board and the Committee chair. Additional meetings of the Committee may be called at any time by the Board chair or by the Committee chair, upon the request of any Committee member (a “Member”). In addition, meetings of the Audit Committee and/or the Risk Review Committee may be called at any time by the Board chair or by the Committee chair upon the request of the external auditor, the appointed actuary, the chief risk officer, or the chief financial officer.

Notice of meetings. Notice of the time and place of each meeting of the Committee shall be given to each Member not less than 48 hours before the time when the meeting is to be held. Notwithstanding the foregoing, in the event that the Board or the Committee fixes by resolution the time and place of one or more meetings of the Committee and a copy of such resolution is sent to each Member, no other notice shall be required to be given to the Members for the meetings whose times and places are so fixed.

Meeting agendas. Committee meeting agendas shall be prepared in consultation with the Committee chair, in all cases having regard to the matters required to be considered by the Committee under its mandate and/or pursuant to a request of the Board, one or more individual directors, the Committee, or, in the case of the Audit Committee and/or the Risk Review Committee, the external auditor, the appointed actuary, the chief risk officer, or the chief financial officer. Unless the Committee chair determines otherwise, the agenda for each meeting will also afford an opportunity for Members to meet separately, without management, at its beginning and its end. Each Member may suggest items for inclusion on the agenda, and may raise at any Committee meeting subjects that are not on the meeting agenda.

Transaction of business. The powers of the Committee may be exercised at a meeting of the Committee at which a quorum is present or by resolution in writing signed by all of the Members who would have been entitled to vote on that resolution at a meeting of the Committee.

Meetings by telephone or electronic means. If all of the Members present at or participating in a meeting consent, then any Member may participate in such meeting by means of telephone, electronic or other communication facilities that permit all persons participating in the meeting to communicate simultaneously and instantaneously.

Quorum. A majority of the Members shall constitute a quorum for the transaction of business at all meetings of the Committee, except where the Committee has four Members, in which case a quorum shall be two Members. Meetings of the Committee shall be constituted so that any applicable Canadian residency requirements of the governing statute of the Company are met.

Votes to govern. At all meetings of the Committee, any question shall be decided by a majority of the votes cast on the question and in the case of an equality of votes the matter shall be referred to the Board as a whole. Any question at a meeting of the Committee shall be decided by a show of hands unless a ballot is required or demanded.

Attendance by other directors. Any director of the Company, whether or not they are a Member, shall be entitled to be present at and to participate in all meetings of the Committee as a non-voting participant.

Chair of meetings. The Committee chair shall act as chair of all meetings of the Committee at which the Committee chair is present. In the absence of the Committee chair at any meeting of the Committee, the Members shall appoint a Member to serve as acting chair at the meeting.

Work plans. Each Committee shall be provided with: (i) a work plan listing the duties of the Committee, (ii) prompt updates to such work plan describing any proposed or actual changes to it, and (iii) at each Committee meeting, assurance as to compliance with the work plan.

Reports to the Board. The chair of each meeting of the Committee shall report on the matters considered at that meeting to the next-following regularly-scheduled meeting of the Board.

Co-ordination with executive management. Each Committee shall have a designated executive sponsor with whom the Committee chair shall work to develop meeting agendas and monitor the execution of the Committee’s workplan. The chair of each meeting of the Committee shall discuss relevant follow up items and other issues raised with the appropriate members of senior management as soon as practicable following the meeting.

In camera sessions. The Committee shall be entitled to meet in private session or, at the option of the Committee, with one or more members of Management, other employees of the Company or its subsidiaries, and/or the Company’s appointed actuary, external auditor, internal auditor, counsel or other advisors. Unless the Committee chair determines otherwise, the agenda for each Committee meeting will afford an opportunity for the independent Members to meet separately without management at its beginning and its end. With limited exceptions, in camera sessions should not be used to conduct Committee business and are generally not minuted. The Committee chair should discuss relevant follow up items and other issues raised in camera with the appropriate members of senior management without attribution as soon as practicable following the meeting.

APPENDIX C – SECURITIES BASED COMPENSATION ARRANGEMENTS

STOCK OPTION PLAN

The Company has adopted a Stock Option Plan, which is a component of the Company's long-term incentive compensation arrangements available to eligible employees. The purpose of the Stock Option Plan is to assist the Company in attracting, retaining and motivating eligible employees and to advance the interests of the Company by providing such persons with the opportunity to acquire a proprietary interest in the Company.

Administration

The Stock Option Plan authorizes the HRCC to issue stock options ("Options") to employees of the Company or any affiliate.

Share Reserve and Limits on Issuance

The aggregate number of Common Shares that may be issued pursuant to the Stock Option Plan at any time shall not exceed the Equity Award Pool Limit. No Options may be granted on terms requiring settlement in newly issued Common Shares if such grant would have the effect of causing the total number of Common Shares subject to the Stock Option Plan (together with those Common Shares which may be issued pursuant to any other security based compensation arrangement provided by the Company) to exceed the Equity Award Pool Limit.

In addition, (a) the maximum number of Common Shares issued to insiders within any one-year period pursuant to the Stock Option Plan, together with Common Shares issued to insiders under all other security based compensation arrangements of the Company, shall not exceed 10% of the issued and outstanding Common Shares, and (b) the maximum number of Common Shares issuable to insiders, at any time, pursuant to the Stock Option Plan, together with Common Shares issuable to insiders under all other security based compensation arrangements provided by the Company, shall not exceed 10% of the issued and outstanding Common Shares.

Terms and Conditions of Option Grants

Under the Stock Option Plan:

- subject to the rules of any stock exchange upon which the Common Shares may be listed or other securities regulatory authority, the HRCC may, (a) by resolution, accelerate the date on which any unvested Option may be exercised or extend the expiration date of any Option (with any such extension requiring shareholder approval, as indicated below); or (b) subsequent to the time of granting Options hereunder, permit a participant to exercise any or all of the unvested Options then outstanding and granted to the participant under this Stock Option Plan;
- the HRCC is authorized to determine, subject to any adjustments pursuant to the provisions of the Stock Option Plan, the exercise price of any Option, provided that the exercise price of any Option shall in no circumstances be lower than the Market Price (as defined in the Stock Option Plan) on the date of grant of the Option;
- the term of an Option shall not exceed ten (10) years from the date of the grant of the Option;
- Options are personal to the grantee and are non-assignable, except in certain limited circumstances; and
- notwithstanding anything else contained in the Stock Option Plan, if the expiration date for an Option occurs during a period of time during which the person granted Options cannot exercise an Option, or sell Optioned Common Shares, due to applicable policies of the Company in respect of insider trading (a "Blackout Period") applicable to the relevant participant, or within ten business days after the expiry of a Blackout Period applicable to the relevant participant, then the expiration date for that Option shall be the date that is the tenth (10th) business day after the expiry date of the Blackout Period.

Adjustments and Change in Control

The Stock Option Plan contains provisions for the treatment of Options in relation to capital changes and with regard to any stock dividend, stock split, combination or exchange of shares, capital reorganization, consolidation, spin-off, dividends (other than cash dividends in the ordinary course) or other distribution of the Company's assets to shareholders, or any other similar changes affecting the Common Shares.

In the event of a change in control of the Company prior to the vesting of an Option, and subject to the terms of a participant's employment agreement and the applicable option agreement, the HRCC has full authority to determine in its sole discretion the effect, if any, of the change in control on the vesting, exercisability, settlement, payment or lapse of restrictions applicable to an Option. In the absence of any action by the HRCC, upon a change in control: (i) to the extent the successor to or acquiror of the Company assumes all obligations under the Option, with appropriate adjustments to preserve the value of the Option, or provides a substitute award for the Option on substantially the same terms and conditions with substantially the same value, in either case as determined by the HRCC, in its sole discretion, the existing vesting schedule of such Option will continue to apply; (ii) to the extent the successor to or acquiror of the Company does not assume all obligations under or provide a substitute for the Options held by a participant at the time of the change in control on substantially the same terms and conditions with substantially the same value as of the effective date of the change in control, then (x) all vested Options shall be

exercisable until the consummation of the change in control, (y) all unvested Options shall be exercisable immediately prior to the consummation of the change in control and (z) any Options that are not exercised on or prior to the consummation of the change in control shall be cancelled for no consideration. Notwithstanding the foregoing, if a participant is terminated without cause or resigns with good reason during the 18 month period following a change in control, then any unvested Options (or substitute awards, as applicable) shall vest immediately and be exercisable for a period of 90 days following the effective day of termination or, if earlier, until the expiry date of the Options (or in the case of a substitute award, the expiry date of the Option for which the award has been substituted).

Termination of Options

The Stock Option Plan provides that, except with certain limitations, an Option and all rights to purchase Common Shares pursuant thereto shall expire and terminate immediately upon the participant who holds such Option ceasing to be an eligible person.

Where a participant ceases to be employed by the Company or any affiliate for any reason (other than retirement, death and long-term disability), the participant's unvested Options shall be immediately forfeited and the participant's vested options may be exercised for a period of 90 days after the date of resignation or termination.

Subject to the terms and conditions of the applicable Option agreement, where a participant retires from the Company, the participant's unvested Options then held by the participant shall remain outstanding and continue to vest and become exercisable as if the participant had been actively employed by Definity until the earlier of the expiry date of the Options or five years following the participant's retirement. All of the participant's vested Options then held by the participant remain eligible to be exercised until the earlier of the expiration date of the Options or five years following the participant's retirement.

In the event that a participant experiences a permanent disability while employed or dies, all unexercised Options held by such participant at the time of death immediately vest, and such participant's personal representatives may exercise all Options within one year after the date of such disability or death.

The HRCC may in certain circumstances decide that any of the provisions concerning the effect of termination of the participant's employment shall not apply to the participant for any reason acceptable to the HRCC.

Amendment or Discontinuance of the Plan

The Board may amend, modify or terminate the Stock Option Plan or any Option granted pursuant to the Stock Option Plan at any time without shareholder approval, provided that no amendment to the Stock Option Plan adversely affects the rights of any participant under any previously granted Option, except with the consent of such participant.

The Stock Option Plan may not be amended without shareholder approval to allow any of the following: (a) amendment for which shareholder approval is required under law; (b) increase to the maximum number or percentage of Common Shares issuable under the Stock Option Plan; (c) reduction of the option price, or cancellation and reissuance of Options or other entitlements, of Options granted under the Stock Option Plan; (d) extension of terms of Options beyond the original expiry date; (e) change in eligible persons that may permit the introduction or reintroduction of non-employee directors on a discretionary basis; (f) amendment that would allow Options granted under the Stock Option Plan to be transferable or assignable other than for estate settlement purposes; or (g) amendment to the Stock Option Plan's amendment provisions.

Shareholder approval is not required for the following amendments: (a) amendments of a "housekeeping" nature; (b) a change to the vesting provisions of any Options; (c) a change to the termination provisions of any Option that does not entail an extension beyond the original term of the Option; or (d) amendments to the provisions relating to a Change in Control.

LONG-TERM INCENTIVE PLAN

The Company has adopted the Long-term Incentive Plan ("LTIP"). The purposes of the LTIP are (i) to promote further alignment of interests between employees of the Company and shareholders, (ii) to associate a portion of the compensation payable to employees of the Company with the returns achieved by shareholders; and (iii) to attract and retain employees with the knowledge, experience and expertise required by the Company.

Administration

The LTIP is administered by the HRCC.

Eligibility and Award Determination

Any individual employed by the Company, who, by the nature of the individual's position or job is, in the opinion of the HRCC, in a position to contribute to the success of the Company is eligible to receive grants ("Grants") of restricted share units ("RSUs") and performance share units ("PSUs") under the LTIP.

The number of RSUs and PSUs to be covered by each Grant is determined by dividing the value for such Grant by the Market Value of a Common Share as at the valuation date for such Grant, rounded up to the next whole number.

Share Reserve and Limits on Issuance

The aggregate number of Common Shares that may be issued pursuant to the LTIP at any time shall not exceed the Equity Award Pool Limit. The method of settlement (cash or shares) is determined at the discretion of the Board of Directors of the Company (or a committee thereof). No RSUs or PSUs will be granted on terms requiring settlement in newly issued Common Shares if such grant would have the effect of causing the total number of Common Shares subject to the LTIP (together with Common Shares which may be issued pursuant to any other security based compensation arrangement provided by the Company) to exceed the Equity Award Pool Limit.

In addition, (a) the maximum number of Common Shares issued to insiders within any one year period pursuant to the LTIP, together with Common Shares issued to insiders under all other security based compensation arrangements of the Company, shall not exceed 10% of the issued and outstanding Common Shares and (b) the maximum number of Common Shares issuable to insiders, at any time, pursuant to the LTIP, together with Common Shares issuable to insiders under all other security based compensation arrangements provided by the Company, shall not exceed 10% of the issued and outstanding Common Shares.

Vesting and Settlement of RSUs and PSUs

Under the LTIP, participants may be allocated share units in the form of RSUs or PSUs, which represent the right to receive an equivalent number of Common Shares or the Market Value on the vesting date.

Unless otherwise specified in the applicable Grant agreement, all RSUs and PSUs are settled no later than December 31 of the third year following the year in which the participant performed the services to which the RSUs or PSUs relate.

Except in limited circumstances, RSUs and PSUs granted under the LTIP are not assignable or transferable other than by operation of law.

Adjustments and Change in Control

The LTIP contains provisions for the equitable adjustment of Grants in relation to any stock dividend, stock split, combination or exchange of shares, capital reorganization, consolidation, spin-off, dividends (other than cash dividends in the ordinary course) or other distribution of the Company's assets to shareholders, or any other similar changes affecting the Common Shares.

In the event of a change in control of the Company prior to the vesting of a Grant, and subject to the terms of a participant's employment agreement and the applicable Grant agreement, the HRCC has full authority to determine in its sole discretion the effect, if any, of a change in control on the vesting, exercisability, settlement, payment or lapse of restrictions applicable to a Grant. In the absence of any action by the HRCC, upon a change in control: (i) to the extent the successor to or acquiror of the Company assumes all obligations under the Grant, with appropriate adjustments to preserve the value of the Grant, or provides a substitute award for the Grant on substantially the same terms and conditions with substantially the same value, in either case as determined by the HRCC, in its sole discretion, the existing vesting schedule of such Grant will continue to apply; (ii) to the extent the successor to or acquiror of the Company does not assume all obligations under or provide a substitute for the Grants held by a participant at the time of the change in control on substantially the same terms and conditions with substantially the same value as of the effective date of the change in control, then (x) any restrictions imposed on RSUs outstanding as of the effective date of the change in control shall lapse, (y) satisfaction of the performance conditions with respect to all PSUs outstanding as of the effective date of the change in control shall be determined based on performance up to the effective date of the change in control, or where the performance conditions relate to the quarterly financial performance of the Company, to the end of the most recent fiscal quarter of the Company preceding the effective date of the change in control, and (z) all RSUs and/or PSUs that have not previously vested shall immediately vest as of the effective date of the change in control. Notwithstanding the foregoing, if a participant is terminated without cause or resigns with good reason during the 18 month period following a change in control, then (x) any remaining restrictions applicable to the participant's outstanding RSUs shall lapse, (y) satisfaction of the performance conditions with respect to the participant's outstanding PSUs shall be determined based on performance up to the effective date of the change in control, or where the performance conditions relate to the quarterly financial performance of the Company, to the end of the most recent fiscal quarter of the Company preceding the effective date of the change in control, and (z) all RSUs and/or PSUs that have not previously vested shall immediately vest on the effective date of the participant's termination.

Amendment and Termination of the LTIP

The LTIP and any Grant made pursuant to the LTIP may be amended, modified or terminated by the Board without approval of Shareholders, provided that no amendment may be made without the consent of a participant if it adversely affects the rights of the participant in respect of any Grant previously made to such participant. For greater certainty, the LTIP may not be amended without shareholder approval to allow any of the following: (a) amendment for which shareholder approval is required under law; (b) increase in the maximum number or percentage of Common Shares issuable under the LTIP; (c) extension of the term of Share Units held by Insiders; (d) increase to the Insider participation limits under the LTIP; (e) change in Eligible Persons that may permit the introduction or reintroduction of non-employee directors on a discretionary basis; (f) amendment that would allow Share Units granted under the LTIP to be transferable or assignable other than for estate settlement purposes; or (g) amendment to the LTIP's amendment provisions.

Shareholder approval will not be required for the following amendments: (a) amendments of a “housekeeping” nature; (b) a change to the vesting provisions of any Grants; (c) a change to the termination provisions of any Grant that does not entail an extension beyond the original term of the Grant; or (d) amendments to the provisions relating to a Change in Control.

EXECUTIVE DSU PLAN

The Company has adopted the Executive DSU Plan, which is a component of the Company’s long-term incentive compensation arrangements available for our executive employees (the “Eligible Executives”). The purposes of the Executive DSU Plan are (a) to promote a further alignment of interests between the Eligible Executives and the shareholders of the Company, and (b) to associate a portion of Eligible Executives’ compensation with the returns achieved by shareholders of the Company.

Administration

The Executive DSU Plan is administered by the HRCC, in its sole and absolute discretion.

Election Process

The Executive DSU Plan provides Eligible Executives with the opportunity to elect to receive a portion of their short-term incentive compensation in the form of DSUs, representing a unit equivalent in value to a Common Share in accordance with the terms of the Executive DSU Plan. Such DSUs are fully vested upon being credited to an Eligible Executive’s account.

The HRCC may also award DSUs to an Eligible Executive as the HRCC deems advisable. Such DSUs vest in accordance with such terms and conditions as may be determined by the HRCC and set out in the DSU award agreement.

Redemption of DSUs

The Eligible Executive, or the beneficiary of an Eligible Executive, is entitled to redeem the Eligible Executive’s DSUs following the Eligible Executive’s death, disability, resignation or retirement from the Company or termination (with or without cause) as an employee, or if such Eligible Executive becomes a member of the Board, upon resignation or retirement as a director.

An Eligible Executive who redeems DSUs shall be entitled to receive a cash payment in an amount equal to the Market Value (as defined in the Executive DSU Plan) of the DSUs that are being redeemed as of the entitlement date applicable to such DSUs, net of any applicable withholding taxes and other required source deductions.

DSUs granted under the Executive DSU Plan are not assignable or transferable, other than by will or the laws of descent and distribution. The Executive DSU Plan does not include a maximum that may be issued to a participant.

Adjustments and Reorganizations

The Executive DSU Plan provides that appropriate adjustments, if any, will be made by the Board in connection with a stock dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Common Shares or distribution of rights to shareholders or any other form of corporation reorganization, to any DSUs then outstanding to preclude a dilution or enlargement of the benefits under the Executive DSU Plan.

Plan Amendment and Termination

The Board may amend or terminate the Executive DSU Plan as it deems necessary or appropriate, but no such amendment or termination shall adversely affect the rights of an Eligible Executive with respect to any amount in respect of which an Eligible Executive has then elected to receive DSUs which the Eligible Executive has then been granted under the Executive DSU Plan, without the consent of the Eligible Executive or unless required by law. All DSUs granted under the Executive DSU Plan, and any payments made under the Executive DSU Plan in respect of any DSUs, are subject to clawback or recoupment as permitted or mandated by applicable law, rules, regulations or any Company policy as enacted, adopted or modified from time to time.

DIRECTORS’ DSU PLAN

The Company has adopted the Directors’ DSU Plan, which is a component of the Company’s long-term incentive compensation arrangements available for our non-employee directors (the “Eligible Directors”). The purposes of the Directors’ DSU Plan are (a) to promote a further alignment of interests between the Eligible Directors and the shareholders of the Company, (b) to associate a portion of Eligible Director’s compensation with the returns achieved by shareholders of the Company, and (c) to attract and retain directors with the knowledge, experience and expertise required by the Company.

Administration

The Directors’ DSU Plan is administered by the Corporate Governance Committee, in its sole and absolute discretion.

Election Process

The Directors' DSU Plan provides Eligible Directors with the opportunity to receive a portion of their compensation in the form of DSUs, representing a unit equivalent in value to a Common Share in accordance with the terms of the Directors' DSU Plan.

Redemption of DSUs

The Eligible Director, or the beneficiary of an Eligible Director, is entitled to redeem the Eligible Director's DSUs following the Eligible Director's death, disability, resignation or retirement from our Board, or if such director becomes an employee of the Company, upon termination (with or without cause) as an employee.

An Eligible Director who redeems DSUs shall be entitled to receive a cash payment in an amount equal to the Market Value (as defined in the Directors' DSU Plan) of the DSUs that are being redeemed as of the entitlement date applicable to such DSUs, net of any applicable withholding taxes and other required source deductions.

DSUs granted under the Directors' DSU Plan are not assignable or transferable, other than by will or the laws of descent and distribution. The Directors' DSU Plan does not include a maximum that may be issued to a participant.

Adjustments and Reorganizations

The Directors' DSU Plan provides that appropriate adjustments, if any, will be made by the Board in connection with a stock dividend, split, recapitalization, reclassification, amalgamation, arrangement, merger, consolidation, combination or exchange of Common Shares or distribution of rights to shareholders or any other form of corporation reorganization, to any DSUs then outstanding to preclude a dilution or enlargement of the benefits under the Directors' DSU Plan.

Plan Amendment and Termination

The Board may amend or terminate the Directors' DSU Plan as it deems necessary or appropriate, but no such amendment or termination shall adversely affect the rights of an Eligible Director with respect to any amount in respect of which an Eligible Director has then elected to receive DSUs which the Eligible Director has then been granted under the Directors' DSU Plan, without the consent of the Eligible Director or unless required by law.

APPENDIX D – SHAREHOLDER RIGHTS PLAN AGREEMENT

SHAREHOLDER RIGHTS PLAN AGREEMENT DATED AS OF APRIL 4, 2024

BETWEEN

DEFINITY FINANCIAL CORPORATION

AND

COMPUTERSHARE INVESTOR SERVICES INC.

AS RIGHTS AGENT

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SHAREHOLDER RIGHTS PLAN AGREEMENT dated April 4, 2024 between Definity Financial Corporation (the “Corporation”), a corporation existing under the laws of Canada, and Computershare Investor Services Inc., a corporation existing under the laws of Canada (the “Rights Agent”);

WHEREAS the Board of Directors (as hereinafter defined) of the Corporation has determined that it is advisable and in the best interests of the Corporation to adopt a shareholder rights plan to ensure, to the extent possible, that all shareholders of the Corporation are treated fairly in connection with any takeover bid for the Corporation;

AND WHEREAS in order to implement the adoption of a shareholder rights plan as established by this Agreement, the Board of Directors shall;

- (a) authorize the issuance, effective at the Record Time (as hereinafter defined), of one Right (as hereinafter defined) in respect of each Voting Share (as hereinafter defined) outstanding at the Record Time; and
- (b) authorize the issuance of one Right in respect of each Voting Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time;

AND WHEREAS each Right entitles the holder thereof, after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set forth in this Agreement;

AND WHEREAS the Corporation desires to confirm its appointment of the Rights Agent to act on behalf of the Corporation and the holders of Rights, and the Rights Agent is willing to so act, in connection with the issuance, transfer, exchange and replacement of Rights Certificates (as hereinafter defined), the exercise of Rights and other matters referred to in this Agreement;

NOW THEREFORE, in consideration of the premises and the respective covenants and agreements set forth herein, and subject to such covenants and agreements, the parties hereby agree as follows:

SHAREHOLDER RIGHTS PLAN AGREEMENT

ARTICLE 1 INTERPRETATION

1.1 Certain Definitions

For purposes of this Agreement, the following terms have the meanings indicated:

- (a) **“Acquiring Person”** means any Person who is the Beneficial Owner of 20% or more of the outstanding Voting Shares; provided, however, that the term **“Acquiring Person”** shall not include:
- (i) the Corporation or any Subsidiary of the Corporation;
 - (ii) any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of one or any combination of:
 - (A) an acquisition or redemption by the Corporation of Voting Shares which, by reducing the number of Voting Shares outstanding, increases the proportionate number of Voting Shares Beneficially Owned by such Person to 20% or more of the Voting Shares then outstanding;
 - (B) a Permitted Bid Acquisition;
 - (C) a Pro Rata Acquisition;
 - (D) an Exempt Acquisition; or
 - (E) a Convertible Security Acquisition;

provided, however, that if a Person becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares by reason of one or any combination of the operation of paragraphs (A), (B), (C), (D) or (E) above and such Person thereafter becomes the Beneficial Owner of more than an additional 1% of the number of outstanding Voting Shares (other than pursuant to one or more of any combination of paragraphs (A), (B), (C), (D) or (E) above, as the case may be), then as of the date such Person becomes the Beneficial Owner of such additional Voting Shares, as the case may be, such Person shall become an **“Acquiring Person”**; or
 - (iii) for a period of 10 calendar days after the Disqualification Date (as defined below), any Person who becomes the Beneficial Owner of 20% or more of the outstanding Voting Shares as a result of such Person becoming disqualified from relying on Section 1.1(f)(iv)(B) solely because such Person is making or has announced a current intention to make a Take-over Bid, either alone, through such Person’s Affiliates or Associates or by acting jointly or in concert with any other Person. For the purposes of this definition, **“Disqualification Date”** means the first date of a public announcement of facts indicating that any Person is making or has announced a current intention to make a Take-over Bid, either alone, through such Person’s Affiliates or Associates or by acting jointly or in concert with any other Person (which, for the purposes of this definition, shall include, without limitation, a report asserting such facts filed pursuant to NI 62-103);
 - (iv) an underwriter or member of a banking or selling group acting in such capacity that acquires 20% or more of the outstanding Voting Shares from the Corporation in connection with a distribution of securities of the Corporation; or
 - (v) a Person (a **“Grandfathered Person”**) who is the Beneficial Owner of 20% or more of the outstanding Voting Shares determined as at the Record Time, provided however, that this exception shall not be, and shall cease to be, applicable to a Grandfathered Person in the event that such Grandfathered Person shall, after the Record Time: (1) cease to Beneficially Own more than 20% or more of the outstanding Voting Shares, or (2) become the Beneficial Owner of any additional Voting Shares that increases its Beneficial Ownership of Voting Shares by more than 1% of the number of Voting Shares outstanding as at the Record Time, other than through an acquisition pursuant to which a Person becomes a Beneficial Owner of additional Voting Shares by reason of one or any combination of the operation of Sections 1.1(a)(ii)(A), 1.1(a)(ii)(B), 1.1(a)(ii)(C), 1.1(a)(ii)(D) or 1.1(a)(ii)(E);
- (b) **“Affiliate”**, when used to indicate a relationship with a specified Person, means a Person that directly, or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such a specified Person;
- (c) **“Agreement”** means this shareholder rights plan agreement dated April 4, 2024, as amended, modified or supplemented from time to time; “hereof”, “herein”, “hereto” and similar expressions mean and refer to this Agreement as a whole and not to any particular part of this Agreement;
- (d) **“Associate”** when used to indicate a relationship with a specified Person, means any relative of such specified Person who has the same residence as such specified Person, or any Person to whom such specified Person is married or with whom such specified Person is living in a conjugal relationship outside marriage, or any relative of such spouse or other Person who has the same home as such specified Person;

- (e) “**CBCA**” means the *Canada Business Corporations Act*, R.S.C., 1985, c. C-44, and the regulations made thereunder and any comparable or successor laws or regulations thereto;
- (f) A Person shall be deemed the “**Beneficial Owner**” of, and to have “**Beneficial Ownership**” of, and to “**Beneficially Own**”,
 - (i) any securities of which such Person or any of such Person’s Affiliates or Associates is the owner at law or in equity;
 - (ii) any securities of which such Person or any of such Person’s Affiliates or Associates has, directly or indirectly, the right to become the owner at law or in equity (A) upon the exercise of any Convertible Securities, or (B) pursuant to any agreement, arrangement or understanding, whether or not in writing, in either case where such right is exercisable within a period of 60 days and whether or not on condition or the happening of any contingency or the making of any payment (other than (1) customary agreements with and between underwriters and/or banking group or selling group members with respect to a distribution of securities, or (2) pursuant to a pledge of securities in the ordinary course of business);
 - (iii) any securities which are subject to a lock-up or similar agreement to tender or deposit them into any Take-over Bid made by such Person or made by any Affiliate or Associate of such Person or made by any other Person acting jointly or in concert with such Person; and
 - (iv) any securities which are Beneficially Owned within the meaning of Sections 1.1(f)(i), (ii) or (iii) by any other Person with which such Person is acting jointly or in concert;

provided, however, that a Person shall not be deemed the “**Beneficial Owner**” of, to have “**Beneficial Ownership**” of or to “**Beneficially Own**” any security as a result of the existence of any one or more of the following circumstances:

- (A) such security has been agreed to be deposited or tendered pursuant to a Permitted Lock-up Agreement or is otherwise deposited or tendered pursuant to any Take-over Bid made by such Person, made by any of such Person’s Affiliates or Associates or made by any other Person referred to in Section 1.1(f)(iv), but only until such time as such deposited or tendered security has been taken up or paid for, whichever shall occur first;
- (B) such Person, any of such Person’s Affiliates or Associates or any other Person referred to in Section 1.1(f)(iv) holds such security provided that,
 - (I) the ordinary business of any such Person (the “**Investment Manager**”) includes the management of investment funds for others (which others, for greater certainty, may include or be limited to one or more employee benefit plans or pension plans) and such security is held by the Investment Manager in the ordinary course of such business in the *bona fide* performance of such Investment Manager’s duties for the account of any other Person (a “**Client**”), including non-discretionary accounts held on behalf of a Client by a dealer or broker registered under applicable law;
 - (II) such Person is (i) the manager or trustee (the “**Manager**”) of a mutual fund (a “**Mutual Fund**”) that is registered or qualified to issue its securities to investors under the securities laws of any province of Canada or the laws of the United States or the United Kingdom and such security is held in the ordinary course of business in the *bona fide* performance of the Manager’s duties with respect to the Mutual Fund, or (ii) a Mutual Fund;
 - (III) such Person (the “**Trust Company**”) is licensed to carry on the business of a trust company under applicable laws and, as such, acts as trustee or administrator or in a similar capacity in relation to the estates of deceased or incompetent Persons (each an “**Estate Account**”) or in relation to other accounts (each an “**Other Account**”) and holds such security in the ordinary course of such duties for such Estate Accounts or for such Other Accounts;
 - (IV) such Person is an independent Person established by statute for purposes that include, and the ordinary business or activity of such Person (the “**Statutory Body**”) includes, the management of investment funds for employee benefit plans, pension plans, insurance plans or various public bodies and the Statutory Body holds such securities for the purposes of its activities as such;
 - (V) such Person (the “**Administrator**”) is the administrator or trustee of one or more pension funds, plans or related trusts (a “**Plan**”) or is a Plan registered or qualified under the laws of Canada or any Province thereof or the laws of the United States of America or any state thereof or the laws of the United Kingdom which such Plan is governed or is a Plan, and holds such securities for the purposes of its activities as Administrator or as a Plan; or
 - (VI) such Person is a Crown agent or agency (a “**Crown Agent**”);

provided, in any of the above cases, that the Investment Manager, the Manager, the Mutual Fund, the Trust Company, the Statutory Body, the Administrator, the Plan, or the Crown Agent, as the case may be, is not then making a Take-over

Bid and has not then announced an intention to make a Take-over Bid other than an Offer to Acquire Voting Shares or other securities pursuant to a distribution by the Corporation or by means of ordinary market transactions (including pre-arranged trades entered into in the ordinary course of business of such Person) executed through the facilities of a stock exchange or organized over-the-counter market, alone, through its Affiliates or Associates or by acting jointly or in concert with any other Person;

- (C) such Person or any other Person acting jointly or in concert with such Person (1) is a Client of the same Investment Manager as another Person on whose account the Investment Manager holds such security, (2) has an Estate Account or an Other Account with the same Trust Company as another Person on whose account the Trust Company holds such security, or (3) is a Plan with the same Administrator as another Plan on whose account the Administrator holds such security;
 - (D) such Person or any other Person acting jointly or in concert with such Person (1) is a Client of an Investment Manager and such security is owned at law or in equity by the Investment Manager, or (2) has an Estate Account or an Other Account with a Trust Company and such security is owned at law or in equity by the Trust Company, or (3) is a Plan and such security is owned at law or in equity by the Administrator of the Plan; or
 - (E) such Person is a registered holder of such security as a result of carrying on the business of, or acting as a nominee of, a securities depository;
- (g) “**Board of Directors**” means the board of directors of the Corporation or any duly constituted and empowered committee thereof;
 - (h) “**Book Entry Form**” means, in reference to securities, securities that have been issued and registered in uncertificated form that are evidenced by an advice or other statement and which are maintained electronically on the records of the Corporation’s transfer agent, but for which no certificate has been issued;
 - (i) “**Book Entry Rights Exercise Procedures**” has the meaning ascribed thereto in Section 2.2(c);
 - (j) “**Business Day**” means any day other than a Saturday, Sunday or a day on which banking institutions in Toronto, Ontario are authorized or obligated by law to close;
 - (k) “**Canadian Dollar Equivalent**” of any amount which is expressed in United States dollars shall mean on any date the Canadian dollar equivalent of such amount determined by reference to the U.S.- Canadian Exchange Rate in effect on such date;
 - (l) “**close of business**” on any given date means the time on such date (or, if such date is not a Business Day, the time on the next succeeding Business Day) at which the principal office in Toronto, Ontario of the transfer agent for the Common Shares (or, after the Separation Time, the principal office in Toronto, Ontario of the Rights Agent) becomes closed to the public, *provided, however*, that for the purposes of the definition of “**Competing Permitted Bid**” and the definition of “**Permitted Bid**”, “**close of business**” on any date means 11:59 p.m. (local time, at the place of deposit) on such date (or, if such date is not a Business Day, 11:59 p.m. (local time, at the place of deposit) on the next succeeding Business Day);
 - (m) “**Common Shares**” means the common shares in the capital of the Corporation;
 - (n) “**Competing Permitted Bid**” means a Take-over Bid that:
 - (i) is made after a Permitted Bid or another Competing Permitted Bid has been made and prior to the expiry, termination or withdrawal of that Permitted Bid or other Competing Permitted Bid;
 - (ii) satisfies all components of the definition of a Permitted Bid other than the requirements set out in Section 1.1(mm)(ii)(A) of the definition of Permitted Bid; and
 - (iii) contains, and the take-up and payment for securities tendered or deposited is subject to, an irrevocable and unqualified condition that no securities will be taken up or paid for pursuant to the Take-over Bid prior to the close of business on the last day of the minimum initial deposit period that such Take-over Bid must remain open for deposits of securities thereunder pursuant to NI 62-104 after the date of the Take-over Bid constituting the Competing Permitted Bid;

provided, however, that a Take-over Bid that qualified as a Competing Permitted Bid will cease to be a Competing Permitted Bid at any time when such Take-over Bid ceases to meet any of the requirements of this definition, and provided that, at such time, any acquisitions of securities made pursuant to such Competing Permitted Bid, including any acquisition of securities made prior to such time, will cease to be a Permitted Bid Acquisition;
 - (o) “**controlled**” a Person is “**controlled**” by another Person or two or more Persons acting jointly or in concert if:
 - (i) securities carrying more than 50% of the votes entitled to be cast in the election of directors (including, for Persons other than corporations, the administrators, managers, trustees or other individuals performing similar functions in respect of any such Person) are held, directly or indirectly, other than by way of security only, by or on behalf of the other Person or two or more Persons acting jointly or in concert; and

- (ii) the votes carried by such securities are entitled, if exercised, to elect, appoint or designate a majority of the Board of Directors of such company or corporation (including, for Persons other than corporations, the administrators, managers, trustees or other individuals performing similar functions in respect of any such Person);
- and “**controls**”, “**controlling**” and “**under common control with**” shall be interpreted accordingly;
- (p) “**Convertible Securities**” means, at any time, any securities issued by the Corporation (including rights, warrants and options but excluding the Rights) carrying any purchase, exercise, conversion or exchange right, pursuant to which the holder thereof may acquire Voting Shares or other securities convertible into or exercisable or exchangeable for Voting Shares (in each case, whether such right is exercisable immediately or after a specified period and whether or not on condition or the happening of any contingency);
- (q) “**Convertible Security Acquisition**” means the acquisition of Voting Shares upon the exercise, conversion or exchange of Convertible Securities acquired by a Person pursuant to a Permitted Bid Acquisition, an Exempt Acquisition or a Pro Rata Acquisition;
- (r) “**Co-Rights Agents**” has the meaning ascribed thereto in Section 4.1(a);
- (s) “**Disposition Date**” has the meaning ascribed thereto in Section 5.1(a);
- (t) “**Dividend Reinvestment Acquisition**” means an acquisition of Voting Shares of any class pursuant to a Dividend Reinvestment Plan;
- (u) “**Dividend Reinvestment Plan**” means a regular dividend reinvestment or other program or plan of the Corporation made available by the Corporation to holders of its securities and/or to holders of securities of a Subsidiary of the Corporation, where such program or plan permits the holder to direct that some or all of:
- (i) any dividends paid in respect of shares of any class of the Corporation or a Subsidiary;
 - (ii) any proceeds of redemption of shares of the Corporation or a Subsidiary;
 - (iii) any interest paid on evidences of indebtedness of the Corporation or a Subsidiary; or
 - (iv) any optional cash payments;
- be applied to the purchase of Voting Shares;
- (v) “**Effective Date**” means April 4, 2024;
- (w) “**Election to Exercise**” has the meaning ascribed thereto in Section 2.2(d);
- (x) “**Exempt Acquisition**” means an acquisition of Beneficial Ownership of Voting Shares or Convertible Securities by a Person:
- (i) in respect of which the Board of Directors has waived the application of Section 3.1 pursuant to the provisions of Sections 5.1(a), 5.1(b) or 5.1(f);
 - (ii) pursuant to an amalgamation, plan of arrangement or other statutory procedure having similar effect which has been approved by the Board of Directors and the holders of Voting Shares by the requisite majority or majorities of the holders of Voting Shares at a meeting duly called and held for such purpose in accordance with the provisions of the CBCA, the notice of articles and articles of the Corporation and any other applicable legal requirements; or
 - (iii) pursuant to a distribution by the Corporation of Voting Shares or Convertible Securities (and the conversion, exercise or exchange of such Convertible Securities) made pursuant to a prospectus or by way of private placement, provided that the Person in question does not thereby become the Beneficial Owner of a greater percentage of Voting Shares of that class or Convertible Securities than the percentage of Voting Shares Beneficially Owned by such Person immediately prior to such acquisition;
- (y) “**Exercise Price**” means, as of any date, the price at which a holder of a Right may purchase the securities issuable upon exercise of one whole Right which, until adjustment thereof in accordance with the terms hereof, shall be \$120;
- (z) “**Expansion Factor**” has the meaning ascribed thereto in Section 2.3(a);
- (aa) “**Expiration Time**” means the earlier of:
- (i) the Termination Time; and
 - (ii) the termination of the annual meeting of shareholders of the Corporation in the year 2027;
- provided, however, that if the resolution referred to in Section 5.16 is approved by shareholders in accordance with Section 5.16 at or prior to such meeting, “**Expiration Time**” means the earlier of (i) the Termination Time and (ii) the termination of the annual meeting of shareholders of the Corporation in the year that is three years after the year in which such approval occurs;

- (bb) **“Fiduciary”** shall mean a trust company registered under the trust company legislation of Canada or any province thereof or a portfolio manager registered under the securities legislation of one or more provinces of Canada.
- (cc) **“Flip-in Event”** means a transaction in or pursuant to which any Person becomes an Acquiring Person;
- (dd) **“holder”** has the meaning ascribed thereto in Section 2.8;
- (ee) **“Independent Shareholders”** means holders of any Voting Shares, other than
- (i) any Acquiring Person;
 - (ii) any Offeror (other than any Person who pursuant to Section 1.1(f) is not deemed to Beneficially Own the Voting Shares held by such Person);
 - (iii) any Affiliate or Associate of any Acquiring Person or Offeror;
 - (iv) any Person acting jointly or in concert with any Acquiring Person or Offeror; and
 - (v) any employee benefit plan, stock purchase plan, deferred profit sharing plan and any similar plan or trust for the benefit of employees of the Corporation or a Subsidiary of the Corporation, unless the beneficiaries of the plan or trust direct the manner in which the Voting Shares are to be voted or withheld from voting or direct whether the Voting Shares are to be tendered to a Take-over Bid;
- (ff) **“Market Price”** per share of any securities on any date of determination means the average of the daily closing sale prices per security of such class of securities (determined as described below) on each of the 20 consecutive Trading Days through and including the Trading Day immediately preceding such date; provided, however, that if an event of a type analogous to any of the events described in Section 2.3 hereof shall have caused the closing sale prices used to determine the Market Price on any Trading Days not to be fully comparable with the closing sale price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day, each such closing sale price so used shall be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 hereof in order to make it fully comparable with the closing sale price on such date of determination or, if the date of determination is not a Trading Day, on the immediately preceding Trading Day. The closing sale price per security of any securities on any date shall be:
- (i) the closing board lot sale price or, if such price is not available, the average of the closing bid and asked prices, for each of such securities as reported by the principal stock exchange or national securities quotation system on which such securities are listed or admitted to trading (provided that, if at the date of determination such securities are listed or admitted to trading on more than one stock exchange or national securities quotation system, then such price or prices shall be determined based upon the stock exchange or quotation system on which such securities are then listed or admitted to trading on which the largest number of such securities were traded during the most recently completed calendar year);
 - (ii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a stock exchange or a national securities quotation system, then the last sale price, or in case no sale takes place on such date, the average of the high bid and low asked prices for each such securities in the over-the-counter market, as quoted by any reporting system then in use; or
 - (iii) if for any reason none of such prices is available on such day or the securities are not listed or admitted to trading on a stock exchange or a national securities quotation system or quoted by any reporting system, then the average of the closing bid and asked prices as furnished by a professional market maker making a market in the securities selected in good faith by the Board of Directors;
- provided, however, that: (A) if for any reason none of such prices are available on such date, then the “closing price per security” of such securities on such date shall mean the fair value per security of the securities on such date as determined by a nationally or internationally recognized investment dealer or investment bank selected by the Board of Directors with respect to the fair value per security of such securities; and (B) if the closing price per security so determined is expressed in United States dollars, then such amount shall be converted to the Canadian Dollar Equivalent;
- (gg) **“NI 62-103”** means *National Instrument 62-103—The Early Warning System and Related Take-Over Bid and Insider Reporting Issues* and any comparable or successor laws, instruments or rules thereto;
- (hh) **“NI 62-104”** means *National Instrument 62-104—Take-Over Bids and Issuer Bids* and any comparable or successor laws, instruments or rules thereto;
- (ii) **“Nominee”** has the meaning ascribed thereto in Section 2.2(c);
- (jj) **“Offer to Acquire”** includes:
- (i) an offer to purchase or a solicitation of an offer to sell Voting Shares and/or Convertible Securities of any class or classes, and

- (ii) an acceptance of an offer to sell Voting Shares and/or Convertible Securities of any class or classes, whether or not such offer to sell has been solicited;
- or any combination thereof, and the Person accepting an offer to sell shall be deemed to be making an Offer to Acquire to the Person that made the offer to sell;
- (kk) **"Offeror"** means a Person who has announced, and has not withdrawn, an intention to make or who has made, and has not withdrawn, a Take-over Bid, other than a Person who has completed a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition;
 - (ll) **"Offeror's Securities"** means Voting Shares Beneficially Owned by an Offeror on the date of the Offer to Acquire;
 - (mm) **"Permitted Bid"** means a Take-over Bid made by an Offeror that is made by means of a Take-over Bid circular and which also complies with the following additional provisions:
 - (i) the Take-over Bid is made to all holders of record of Voting Shares, other than the Offeror;
 - (ii) the Take-over Bid contains, and the take-up and payment for securities tendered or deposited are subject to, an irrevocable and unqualified condition that no securities will be taken up or paid for pursuant to the Take-over Bid:
 - (A) prior to the close of business on a date which is not less than 105 days following the date of the Take-over Bid or such shorter minimum period as determined in accordance with section 2.28.2 or section 2.28.3 of NI 62-104 for which a Take-over Bid (that is not exempt from any of the requirements of Division 5 (Bid Mechanics) of NI 62-104) must remain open for deposit of securities thereunder; and
 - (B) unless at the close of business on the date Voting Shares are first taken up or paid for under such Take-over Bid, more than 50% of the Voting Shares held by Independent Shareholders shall have been deposited or tendered pursuant to the Take-over Bid and not withdrawn;
 - (iii) the Take-over Bid contains an irrevocable and unqualified provision that, unless the Take-over Bid is withdrawn, securities may be deposited pursuant to such Take-over Bid at any time during the period described in Section 1.1(mm)(ii)(A) and that any securities deposited pursuant to the Take-over Bid may be withdrawn until taken up and paid for; and
 - (iv) the Take-over Bid contains an irrevocable and unqualified provision that, unless the Take-over Bid is withdrawn, in the event that the deposit condition set forth in Section 1.1(mm)(ii)(B) is satisfied and such securities are taken up and paid for, the Offeror will make a public announcement of that fact and the Take-over Bid will be extended for a period of not less than 10 days from the date of such public announcement, provided that if a Take-over Bid constitutes a Competing Permitted Bid, the term **"Permitted Bid"** shall also mean the Competing Permitted Bid.
 - (nn) **"Permitted Bid Acquisition"** means an acquisition of Voting Shares of any class made pursuant to a Permitted Bid or a Competing Permitted Bid;
 - (oo) **"Permitted Lock-up Agreement"** means an agreement (the **"Lock-up Agreement"**) between a Person and one or more holders of Voting Shares and/or Convertible Securities (each a **"Locked-up Person"**) the terms of which are publicly disclosed and a copy of which agreement is made available to the public (including the Corporation) not later than (A) the date the Lock-up Bid (as defined below) is publicly announced, or (B) if the Lock-up Bid has been made prior to the date on which such agreement is entered into then as soon as possible after it is entered into and in any event not later than the date following the date of such agreement, pursuant to which each Locked-up Person agrees to deposit or tender Voting Shares and/ or Convertible Securities to a Take-over Bid (the **"Lock-up Bid"**) to be made or made by the Person or any of such Person's Affiliates or Associates or any other Person referred to in Section 1.1(f)(iv), provided that:
 - (i) that any agreement to deposit or tender to, or to not withdraw Voting Shares or Convertible Securities from, the Lock-up Bid is terminable at the option of the Locked-up Person in order to tender or deposit such Voting Shares or Convertible Securities to another Take-over Bid or support another transaction;
 - (A) where the price or value per Voting Share or Convertible Security offered under such other Take-over Bid or transaction is higher than the price or value per Voting Share or Convertible Security offered under the Lock-up Bid; or
 - (B) if:
 - (l) the price or value per Voting Share or Convertible Security offered under the other Take-over Bid or transaction exceeds the price or value per Voting Share or Convertible Security offered or proposed to be offered under the Lock-up Bid by as much or more than a specified amount (the **"Specified Amount"**) and the Specified Amount is not greater than 7% of the price or value per Voting Share or Convertible Security that is offered or proposed to be offered under the Lock-up Bid; or

- (ll) the number of Voting Shares or Convertible Securities to be purchased under the other Take-over Bid or transaction exceeds the number of Voting Shares or Convertible Securities offered to be purchased under the Lock-up Bid by as much or more than a specified number of Voting Shares (the “**Specified Number of Shares**”) and the Specified Number of Shares is not greater than 7% of the number of Voting Shares offered to be purchased under the Lock-up Bid, at a price or value per Voting Share or Convertible Security, as applicable, that is not less than the price or value per Voting Share or Convertible Security offered under the Lock-up Bid

and, for greater clarity, the agreement may contain a right of first refusal or require a period of delay to give an Offeror who made the Lock-up Bid an opportunity to match a higher price or value in another Take-over Bid or transaction or other similar limitation on a Locked-up Person’s right to withdraw Voting Shares or Convertible Securities from the agreement, so long as the limitation does not preclude the exercise by the Locked-up Person of the right to withdraw Voting Shares or Convertible Securities during the period of the other Take-over Bid or transaction; and

- (ii) no “break-up” fees, “top-up” fees, penalties, expenses or other amounts that exceed in the aggregate the greater of:
 - (A) the cash equivalent of 2.5% of the price or value payable under the Lock-up Bid to a Locked-up Person; and
 - (B) 50% of the amount by which the price or value payable under another Take-over Bid or transaction to a Locked-up Person exceeds the price or value of the consideration that such Locked-up Person would have received under the Lock-up Bid;

shall be payable by a Locked-up Person pursuant to the Lock-Up Agreement in the event a Locked-up Person fails to deposit or tender Voting Shares or Convertible Securities to the Lock-up Bid or withdraws Voting Shares or Convertible Securities previously tendered thereto in order to tender to another Take-over Bid or support another transaction;

- (pp) “**Person**” includes an individual, firm, association, trustee, executor, administrator, legal or personal representative, body corporate, company, corporation, trust, partnership, limited partnership, joint venture, syndicate or other form of unincorporated association, a government and its agencies or instrumentalities, any entity or group (whether or not having legal personality), any successor (by merger, statutory amalgamation or otherwise) and any of the foregoing acting in any derivative, representative or fiduciary capacity;
- (qq) “**Privacy Laws**” has the meaning set forth in Section 4.6 of this Agreement;
- (rr) “**Pro Rata Acquisition**” means an acquisition of Voting Shares or Convertible Securities by a Person pursuant to:
 - (i) a Dividend Reinvestment Acquisition;
 - (ii) a stock dividend, stock split or other event in respect of securities of one or more particular classes or series of the Corporation pursuant to which such Person becomes the Beneficial Owner of Voting Shares or Convertible Securities on the same *pro rata* basis as all other holders of securities of the particular class or series; or
 - (iii) any other event pursuant to which all holders of Voting Shares are entitled to receive Voting Shares or Convertible Securities on a *pro rata* basis; including pursuant to the receipt and/or exercise of rights issued by the Corporation to all the holders of a class of Voting Shares to subscribe for or purchase Voting Shares or Convertible Securities, provided that such rights are acquired directly from the Corporation as part of a rights offering and not from any other Person and provided that the Person does not thereby become the Beneficial Owner of a greater percentage of Voting Shares or securities convertible or exchangeable for Voting Shares than the percentage of Voting Shares Beneficially Owned by such Person immediately prior to such receipt or exercise;
- (ss) “**Record Time**” means 12:01 a.m. (Eastern Time) on the Effective Date;
- (tt) “**Redemption Price**” has the meaning set forth in Section 5.1(c) of this Agreement;
- (uu) “**Right**” means a right to purchase a Common Share, upon the terms and subject to the conditions set forth in this Agreement;
- (vv) “**Rights Agent**” means Computershare Investor Services Inc., a company governed under the laws of Canada, or any successor Rights Agent appointed pursuant to Section 4.4;
- (ww) “**Rights Certificate**” means the certificates representing the Rights after the Separation Time, which shall be substantially in the form attached hereto as Attachment 1;
- (xx) “**Rights Holders’ Special Meeting**” means a meeting of the holders of Rights called by the Board of Directors for the purpose of approving a supplement or amendment to this Agreement pursuant to Section 5.4(c);
- (yy) “**Rights Registers**” and “**Rights Registrar**” have the meaning set forth in Section 2.6(a) of this Agreement;

- (zz) "**Securities Act**" means the *Securities Act*, R.S.O. 1990, c. S.5, as amended, and the regulations and rules thereunder, and any comparable or successor laws or regulations or rules thereto;
- (aaa) "**Separation Time**" means the close of business on the tenth Trading Day after the earlier of:
- (i) the Stock Acquisition Date;
 - (ii) the date of the commencement of or first public announcement or public disclosure of the intent of any Person (other than the Corporation or any Subsidiary of the Corporation) to commence a Take-over Bid (other than a Permitted Bid or a Competing Permitted Bid, as the case may be); and
 - (iii) the date upon which a Permitted Bid or Competing Permitted Bid ceases to qualify as such;

or such later date as may be determined by the Board of Directors, provided that, if any such Take-over Bid expires, is cancelled, terminated or otherwise withdrawn prior to the Separation Time, such Take-over Bid shall be deemed, for the purposes of this definition, never to have been made and provided that if the Board of Directors determine pursuant to Section 5.1 to waive the application of Section 3.1 to a Flip-in Event prior to the Separation Time, such Flip in Event shall be deemed never to have occurred;
- (bbb) "**Special Meeting**" means a special meeting of the holders of Voting Shares called by the Board of Directors for the purpose of approving a supplement, amendment, variation, rescission or deletion to or from this Agreement pursuant to Section 5.4(b) or Section 5.4(c);
- (ccc) "**Stock Acquisition Date**" means the first date of public announcement (which, for purposes of this definition, shall include, without limitation, a report filed pursuant to Part 5 of NI 62-104 or pursuant to Section 13(d) of the U.S. Exchange Act) by the Corporation or an Acquiring Person of facts indicating that an Acquiring Person has become such;
- (ddd) "**Subsidiary**": a Person is a Subsidiary of another Person if:
- (i) it is controlled by:
 - (A) that other; or
 - (B) that other and one or more Persons each of which is controlled by that other; or
 - (C) two or more Persons each of which is controlled by that other; or
 - (ii) it is a Subsidiary of a Person that is that other's Subsidiary;
- (eee) "**Take-over Bid**" means an Offer to Acquire Voting Shares and/or Convertible Securities if, assuming that the Voting Shares and/or Convertible Securities subject to the Offer to Acquire are acquired and are Beneficially Owned at the date of such Offer to Acquire by the Person making such Offer to Acquire, such Voting Shares (including Voting Shares that may be acquired upon exercise, conversion or exchange of Convertible Securities) together with the Offeror's Securities constitute in the aggregate 20% or more of the outstanding Voting Shares at the date of the Offer to Acquire;
- (fff) "**Termination Time**" means the time at which the right to exercise Rights shall terminate pursuant to Section 5.1, Section 5.15 or Section 5.16 of this Agreement.
- (ggg) "**Trading Day**", when used with respect to any securities, means a day on which the securities exchange or national securities quotation system on which such securities are listed or admitted for trading on which the largest number of such securities were traded during the most recently completed calendar year is open for the transaction of business or, if the securities are not listed or admitted to trading on any securities exchange or national securities quotation system, a Business Day;
- (hhh) "**U.S.-Canadian Exchange Rate**" means, on any date: (i) if on such date the Bank of Canada reports a daily average rate of exchange for the conversion of one United States dollar into Canadian dollars, such rate; and (ii) in any other case, the rate for such date for the conversion of one United States dollar into Canadian dollars which is calculated in the manner which shall be determined by the Board of Directors from time to time acting in good faith;
- (iii) "**U.S. Exchange Act**" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder as from time to time in effect;
- (jjj) "**Voting Shares**" means the Common Shares of the Corporation and any other shares in the capital of the Corporation entitled to vote in the election of directors.

1.2 Currency

All sums of money which are referred to in this Agreement are expressed in lawful money of Canada, unless otherwise specified.

1.3 Headings

The division of this Agreement into Articles, Sections, paragraphs, or other portions hereof and the insertion of headings, subheadings and a table of contents are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.4 Calculation of Number and Percentage of Beneficial Ownership of Outstanding Voting Shares

For purposes of this Agreement, the percentage of Voting Shares of any class Beneficially Owned by any Person shall be and be deemed to be the product (expressed as a percentage) determined by the formula:

$$100 \times A/B$$

where:

A = the aggregate number of votes for the election of all directors on the Board of Directors generally attaching to the Voting Shares of that class Beneficially Owned by such Person; and

B = the aggregate number of votes for the election of all directors on the Board of Directors generally attaching to all outstanding Voting Shares of such class.

Where any Person is deemed to Beneficially Own unissued Voting Shares, such Voting Shares shall be deemed to be outstanding for the purpose of calculating the percentage of Voting Shares owned by such Person.

1.5 Acting Jointly or in Concert

For purposes of this Agreement, a Person is acting jointly or in concert with every Person who, as a result of any agreement, commitment or understanding whether formal or informal, and whether or not in writing, with the first Person or any Associate or Affiliate of the first Person, acquires or makes an Offer to Acquire Voting Shares or Convertible Securities (other than customary agreements with and between underwriters and/or banking group members and/or selling group members with respect to a public offering or private placement of securities or pledges of securities in the ordinary course of business).

ARTICLE 2 RIGHTS

2.1 Legend on Common Share Certificates

Common Share certificates that are issued after the Record Time but prior to the earlier of the Separation Time and the Expiration Time shall evidence, in addition to Common Shares, one Right for each Common Share represented thereby and shall have impressed on, printed on, written on or otherwise affixed to them a legend in substantially the following form:

Until the Separation Time (defined in the Shareholder Rights Plan Agreement referred to below), this certificate also evidences rights of the holder described in a Shareholder Rights Plan Agreement, dated April 4, 2024 (the "**Shareholder Rights Plan Agreement**"), between Definity Financial Corporation (the "**Corporation**") and Computershare Investor Services Inc. as amended from time to time, the terms of which are incorporated herein by reference and a copy of which is on file at the principal executive offices of the Corporation. Under certain circumstances set out in the Shareholder Rights Plan Agreement, the rights may be amended, redeemed, may expire, may become null and void or may be evidenced by separate certificates and no longer evidenced by this certificate. The Corporation will mail or arrange for the mailing of a copy of the Shareholder Rights Plan Agreement to the holder of this certificate without charge as soon as practicable after the receipt of a written request therefor.

Any Common Shares issued and registered in Book Entry Form after the Record Time but prior to the earlier of the Separation Time and the Expiration Time, shall evidence, in addition to the Common Shares, one Right for each Common Share represented by such registration and the registration record of such Common Shares shall include the foregoing legend, adapted accordingly as the Rights Agent may reasonably require.

Common Shares (both registered in Book Entry Form or for which share certificates have been issued) that are issued and outstanding at the Record Time shall also evidence one Right for each Common Share evidenced thereby, notwithstanding the absence of the foregoing legend, until the earlier of the Separation Time and the Expiration Time.

2.2 Initial Exercise Price; Exercise of Rights; Detachment of Rights

- (a) Subject to adjustment as herein set forth, each Right will entitle the holder thereof, from and after the Separation Time and prior to the Expiration Time, to purchase one Common Share for the Exercise Price (with the Exercise Price and number of Common Shares being subject to adjustment as set forth below). Notwithstanding any other provision of this Agreement, any Rights held by the Corporation or any of its Subsidiaries shall be void.

- (b) Until the Separation Time,
 - (i) the Rights shall not be exercisable and no Right may be exercised; and
 - (ii) each Right will be evidenced by the certificate for the associated Common Share of the Corporation registered in the name of the holder thereof (which certificate shall also be deemed to represent a Rights Certificate) or by the Book Entry Form registration for the associated Common Shares and will be transferable only together with, and will be transferred by a transfer of, such associated Common Share.
- (c) From and after the Separation Time and prior to the Expiration Time:
 - (i) the Rights shall be exercisable; and
 - (ii) the registration and transfer of Rights shall be separate from and independent of Common Shares.

Promptly following the Separation Time, the Corporation will determine whether it wishes to issue Rights Certificates or whether it will maintain the Rights in Book Entry Form. In the event that the Corporation determines to maintain Rights in Book Entry Form, it will put in place such alternative procedures as are directed by the Rights Agent for the Rights to be maintained in Book Entry Form (the “**Book Entry Rights Exercise Procedures**”), it being hereby acknowledged that such procedures shall, to the greatest extent possible, replicate in all substantive respects the procedures set out in this Agreement with respect to the exercise of the Rights Certificates and that the procedures set out in this Agreement shall be modified only to the extent necessary, as determined by the Rights Agent, to permit the Corporation to maintain the Rights in Book Entry Form. In such event, the Book Entry Rights Exercise Procedures shall be deemed to replace the procedures set out in this Agreement with respect to the exercise of Rights and all provisions of this Agreement referring to Rights Certificates shall be applicable to Rights registered in Book Entry Form in like manner as to Rights in certificated form.

In the event the Corporation determines to issue a Rights Certificate, it will prepare and the Rights Agent will mail to each holder of record of Common Shares as of the Separation Time (other than an Acquiring Person, any other Person whose Rights are or become void pursuant to the provisions of Section 3.1(b) and, in respect of any Rights Beneficially Owned by such Acquiring Person which are not held of record by such Acquiring Person, the holder of record of such Rights (a “**Nominee**”)), at such holder’s address as shown by the records of the Corporation (the Corporation hereby agreeing to furnish copies of such records to the Rights Agent for this purpose):

- (x) a Rights Certificate in substantially the form set out in Attachment 1 hereof appropriately completed, representing the number of Rights held by such holder at the Separation Time and having such marks of identification or designation and such legends, summaries or endorsements printed thereon as the Corporation may deem appropriate and as are not inconsistent with the provisions of this Agreement, or as may be required to comply with any law, rule or regulation or judicial or administrative order or with any rule or regulation of any self-regulatory organization, stock exchange or quotation system on which the Rights may from time to time be listed or traded, or to conform to usage; and
- (y) a description of the Rights,

provided that a Nominee shall be sent the materials provided for in (x) and (y) only in respect of all Common Shares held of record by it which are not Beneficially Owned by an Acquiring Person. In order for the Corporation to determine whether any Person is holding Common Shares which are Beneficially Owned by another Person, the Corporation may require such first mentioned Person to furnish such information and documentation as the Corporation deems necessary or appropriate in order to make such determination.

- (d) Rights may be exercised, in whole or in part, on any Business Day after the Separation Time and prior to the Expiration Time by submitting to the Rights Agent in the manner specified in the Rights Certificate:
 - (i) the Rights Certificate evidencing such Rights;
 - (ii) an election to exercise such Rights (an “**Election to Exercise**”) substantially in the form attached to the Rights Certificate or as determined appropriate for Book Entry Form appropriately completed and executed by the holder or his executors or administrators or other personal representatives or his or their legal attorney duly appointed by an instrument in writing in form and executed in a manner satisfactory to the Rights Agent; and
 - (iii) payment by certified cheque, banker’s draft or money order payable to the order of the Rights Agent, of a sum equal to the Exercise Price multiplied by the number of Rights being exercised and a sum sufficient to cover any transfer tax or charge which may be payable in respect of the transfer or delivery of Rights Certificates or the issuance or delivery of certificates for Common Shares in a name other than that of the holder of the Rights being exercised.
- (e) In the event that the Corporation determines to issue a Rights Certificate, then upon receipt of a Rights Certificate, together with a completed Election to Exercise executed in accordance with Section 2.2(d)(ii), which does not indicate that such Right is null and void as provided by Section 3.1(b), and payment as set forth in Section 2.2(d)(iii), the Rights Agent (unless otherwise instructed by the Corporation in the event that the Corporation is of the opinion that the Rights cannot be exercised in accordance with this Agreement) will thereupon promptly:

- (i) direct the transfer agent to register, in the name of the holder of the Rights being exercised or in such other name as may be designated by such holder, in Book Entry Form the number of such Common Shares to be purchased (the Corporation hereby irrevocably authorizing its transfer agents to comply with all such requisitions);
 - (ii) when appropriate, requisition from the Corporation the amount of cash to be paid in lieu of issuing fractional Common Shares;
 - (iii) after receipt of confirmation from the transfer agent that the registration, in Book Entry Form, referred to in Section 2.2(e)(i) has been completed, deliver the same to or upon the order of the registered holder of such Rights Certificates, registered in such name or names as may be designated by such holder;
 - (iv) when appropriate, after receipt, deliver the cash referred to in Section 2.2(e)(ii) to or to the order of the registered holder of such Rights Certificate; and
 - (v) tender to the Corporation all payments received on the exercise of the Rights.
- (f) In case the holder of any Rights shall exercise less than all the Rights evidenced by such holder's Rights Certificate, a new Rights Certificate evidencing the Rights remaining unexercised (subject to the provisions of Section 5.5(a)) will be issued by the Rights Agent to such holder or to such holder's duly authorized assigns.
- (g) The Corporation covenants and agrees that it will:
- (i) take all such action as may be necessary and within its power to ensure that all Common Shares delivered upon exercise of Rights shall, at the time of delivery of the certificates representing such Common Shares or registration in Book Entry Form of such Common Shares (subject to payment of the Exercise Price), as applicable, be duly authorized, validly issued and fully paid and non-assessable;
 - (ii) take all such action as may be necessary and within its power to comply with the provisions of Section 3.1 including all actions necessary to comply with the requirements of the CBCA, the Securities Act, and the securities laws or comparable legislation of each of the provinces of Canada and any other applicable law, rule or regulation, in connection with the issuance and delivery of the Rights Certificates and the issuance of any Common Shares upon exercise of Rights;
 - (iii) use reasonable efforts to cause all Common Shares issued upon exercise of Rights to be listed on the principal stock exchanges on which such Common Shares were traded immediately prior to the Stock Acquisition Date;
 - (iv) cause to be reserved and kept available out of its authorized and unissued Common Shares the number of Common Shares that, as provided in this Agreement, will from time to time be sufficient to permit the exercise in full of all outstanding Rights;
 - (v) pay when due and payable, if applicable, any and all Canadian federal, provincial, state and municipal transfer taxes and charges (not including any income or capital taxes of the holder or exercising holder or any liability of the Corporation to withhold tax) which may be payable in respect of the original issuance or delivery of the Rights Certificates, or the registration in Book Entry Form of Common Shares to be issued upon exercise of any Rights, provided that the Corporation shall not be required to pay any transfer tax or charge which may be payable in respect of any transfer involved in the transfer or delivery of Rights Certificates or the registration in Book Entry Form of Common Shares in a name other than that of the holder of the Rights being transferred or exercised; and
 - (vi) after the Separation Time, except as permitted by Section 5.1, not take (or permit any Subsidiary to take) any action if at the time such action is taken it is reasonably foreseeable that such action will diminish substantially or otherwise eliminate the benefits intended to be afforded by the Rights.

2.3 Adjustments to Exercise Price; Number of Rights

The Exercise Price, the number and kind of securities subject to purchase upon exercise of each Right and the number of Rights outstanding are subject to adjustment from time to time as provided in this Section 2.3.

- (a) In the event the Corporation shall at any time after the Record Time and prior to the Expiration Time:
- (i) declare or pay a dividend on Common Shares payable in Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities of the Corporation) other than pursuant to any Dividend Reinvestment Plan;
 - (ii) subdivide or change the then outstanding Common Shares into a greater number of Common Shares;
 - (iii) consolidate or change the then outstanding Common Shares into a smaller number of Common Shares; or
 - (iv) issue any Common Shares (or other securities exchangeable for or convertible into or giving a right to acquire Common Shares or other securities of the Corporation) in respect of, in lieu of or in exchange for existing Common Shares, except as otherwise provided in this Section 2.3,

the Exercise Price and the number of Rights outstanding, or, if the payment or effective date therefor shall occur after the Separation Time, the securities purchasable upon exercise of Rights, shall be adjusted as of the payment or

effective date in the manner set forth below. If an event occurs which would require an adjustment under both this Section 2.3 and Section 3.1(a), the adjustment provided for in this Section 2.3 shall be in addition to, and shall be made prior to, any adjustment required under Section 3.1(a).

If the Exercise Price and number of Rights outstanding are to be adjusted:

- (x) the Exercise Price in effect after such adjustment will be equal to the Exercise Price in effect immediately prior to such adjustment divided by the number of Common Shares (or other securities) (the "**Expansion Factor**") that a holder of one Common Share immediately prior to such dividend, subdivision, change, consolidation or issuance would hold thereafter as a result thereof; and
- (y) each Right held prior to such adjustment will become that number of Rights equal to the Expansion Factor, and the adjusted number of Rights will be deemed to be distributed among the Common Shares with respect to which the original Rights were associated (if they remain outstanding) and the shares issued in respect of such dividend, subdivision, change, consolidation or issuance, so that each such Common Share (or other securities) will have exactly one Right associated with it.

For greater certainty, if the securities purchasable upon exercise of Rights are to be adjusted, the securities purchasable upon exercise of each Right after such adjustment will be the securities that a holder of the securities purchasable upon exercise of one Right immediately prior to such dividend, subdivision, change, consolidation or issuance would hold thereafter after giving full effect to such dividend, subdivision, change, consolidation or issuance.

If, after the Record Time and prior to the Expiration Time, the Corporation shall issue any securities other than Common Shares in a transaction of a type described in Section 2.3(a)(i) or 2.3(a)(iv), such securities shall be treated herein as nearly equivalent to Common Shares as may be practicable and appropriate under the circumstances and the Corporation and the Rights Agent agree to amend this Agreement in order to effect such treatment.

In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any Common Shares otherwise than in a transaction referred to in this Section 2.3(a), each such Common Share so issued shall automatically have one new Right associated with it, which Right shall be evidenced by the certificate representing such associated Common Share.

- (b) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the issuance of rights, options or warrants to all holders of Common Shares entitling them (for a period expiring within 45 calendar days after such record date) to subscribe for or purchase Common Shares (or securities convertible into or exchangeable for or carrying a right to purchase Common Shares) at a price per Common Share (or, if a security convertible into or exchangeable for or carrying a right to purchase or subscribe for Common Shares, having a conversion, exchange or exercise price, including the price required to be paid to purchase such convertible or exchangeable security or right per share) less than the Market Price per Common Share on such record date, the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:
 - (i) the numerator of which shall be the number of Common Shares outstanding on such record date, plus the number of Common Shares that the aggregate offering price of the total number of Common Shares so to be offered (and/or the aggregate initial conversion, exchange or exercise price of the convertible or exchangeable securities or rights so to be offered, including the price required to be paid to purchase such convertible or exchangeable securities or rights) would purchase at such Market Price per Common Share; and
 - (ii) the denominator of which shall be the number of Common Shares outstanding on such record date, plus the number of additional Common Shares to be offered for subscription or purchase (or into which the convertible or exchangeable securities or rights so to be offered are initially convertible, exchangeable or exercisable).

In case such subscription price may be paid by delivery of consideration, part or all of which may be in a form other than cash, the value of such consideration shall be as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights. Such adjustment shall be made successively whenever such a record date is fixed, and in the event that such rights, options or warrants are not so issued, or if issued, are not exercised prior to the expiration thereof, the Exercise Price shall be readjusted to the Exercise Price which would then be in effect if such record date had not been fixed, or to the Exercise Price which would be in effect based upon the number of Common Shares (or securities convertible into, or exchangeable or exercisable for Common Shares) actually issued upon the exercise of such rights, options or warrants, as the case may be.

For purposes of this Agreement, the granting of the right to purchase Common Shares (whether from treasury or otherwise) pursuant to a Dividend Reinvestment Plan or any employee benefit, stock option or similar plans shall be deemed not to constitute an issue

of rights, options or warrants by the Corporation; provided, however, that, in all such cases, the right to purchase Common Shares is at a price per share of not less than 90% of the current market price per share (determined as provided in such plans) of the Common Shares.

- (c) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time fix a record date for the making of a distribution to all holders of Common Shares (including any such distribution made in connection with a merger, amalgamation, arrangement, plan, compromise or reorganization in which the Corporation is the continuing or successor Corporation) of evidences of indebtedness, cash (other than a regular periodic cash dividend or a dividend referred to in Section 2.3(a)(i), but including any dividend payable in securities other than Common Shares), assets or rights, options or warrants (excluding those referred to in Section 2.3(b) hereof), the Exercise Price to be in effect after such record date shall be determined by multiplying the Exercise Price in effect immediately prior to such record date by a fraction:
- (i) the numerator of which shall be the Market Price per Common Share on such record date, less the fair market value (as determined in good faith by the Board of Directors, whose determination shall be described in a statement filed with the Rights Agent and shall be binding on the Rights Agent and the holders of Rights), on a per share basis, of the portion of the cash, assets, evidences of indebtedness, rights, options or warrants so to be distributed; and
 - (ii) the denominator of which shall be such Market Price per Common Share.

Such adjustments shall be made successively whenever such a record date is fixed, and in the event that such a distribution is not so made, the Exercise Price shall be adjusted to be the Exercise Price which would have been in effect if such record date had not been fixed.

- (d) Notwithstanding anything herein to the contrary, no adjustment in the Exercise Price shall be required unless such adjustment would require an increase or decrease of at least 1% in the Exercise Price; provided, however, that any adjustments which by reason of this Section 2.3(d) are not required to be made shall be carried forward and taken into account in any subsequent adjustment. All calculations under Section 2.3 shall be made to the nearest cent or to the nearest ten-thousandth of a share. Notwithstanding the first sentence of this Section 2.3(d), any adjustment required by Section shall be made no later than the earlier of:
- (i) three years from the date of the transaction which gives rise to such adjustment; or
 - (ii) the Expiration Time.
- (e) In the event the Corporation shall at any time after the Record Time and prior to the Separation Time issue any securities other than Common Shares, or rights, options or warrants to subscribe for or purchase any such securities, or securities convertible into or exchangeable for any such securities in a transaction referred to in Sections 2.3(a)(i) or 2.3(a)(iv) above, if the Board of Directors acting in good faith determines that the adjustments contemplated by Sections 2.3(a), (b) and (c) above in connection with such transaction will not appropriately protect the interests of the holders of Rights, the Board of Directors may determine what other adjustments to the Exercise Price, number of Rights and/or securities purchasable upon exercise of Rights would be appropriate and, notwithstanding Sections 2.3(a), (b) and (c) above, such adjustments, rather than the adjustments contemplated by Sections 2.3(a), (b) and (c) above, shall be made, subject to the prior consent of the holders of the Voting Shares or the Rights as set forth in Section 5.4(b) or 5.4(c), and the Corporation and the Rights Agent shall have authority upon receiving such prior consent of the holders of the Voting Shares to amend this Agreement as appropriate to provide for such adjustments.
- (f) Each Right originally issued by the Corporation subsequent to any adjustment made to the Exercise Price hereunder shall evidence the right to purchase, at the adjusted Exercise Price, the number of Common Shares purchasable from time to time hereunder upon exercise of a Right immediately prior to such issue, all subject to further adjustment as provided for herein.
- (g) Irrespective of any adjustment or change in the Exercise Price or the number of Common Shares issuable upon the exercise of the Rights, the Rights Certificates theretofore and thereafter issued may continue to express the Exercise Price per Common Share and the number of Common Shares which were expressed in the initial Rights Certificates issued hereunder.
- (h) In any case in which this Section 2.3 shall require that an adjustment in the Exercise Price be made effective as of a record date for a specified event, the Corporation may elect to defer until the occurrence of such event the issuance to the holder of any Right exercised after such record date the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise over and above the number of Common Shares and other securities of the Corporation, if any, issuable upon such exercise on the basis of the Exercise Price in effect prior to such adjustment; provided, however, that the Corporation shall deliver to such holder an appropriate instrument evidencing such holder's right to receive such additional shares (fractional or otherwise) or other securities upon the occurrence of the event requiring such adjustment.

- (i) Notwithstanding anything contained in this Section 2.3 to the contrary, the Corporation shall be entitled to make such reductions in the Exercise Price, in addition to those adjustments expressly required by this Section 2.3, as and to the extent that in their good faith judgment the Board of Directors shall determine to be advisable, in order that any:
- (i) consolidation or subdivision of Common Shares;
 - (ii) issuance (wholly or in part for cash) of Common Shares or securities that by their terms are convertible into or exchangeable for Common Shares;
 - (iii) stock dividends; or
 - (iv) issuance of rights, options or warrants referred to in this Section 2.3,
- hereafter made by the Corporation to holders of its Common Shares, shall not be taxable to such shareholders.
- (j) If, as a result of an adjustment made pursuant to Section 3.1, the holder of any Right thereafter exercised shall become entitled to receive any securities other than Common Shares, thereafter the number of such other securities so receivable upon exercise of any Right and the applicable Exercise Price thereof shall be subject to adjustment from time to time in a manner and on terms as nearly equivalent as may be practicable to the provisions with respect to the Common Shares contained in the foregoing subsections of this Section 2.4 and the provisions of this Agreement with respect to the Common Shares shall apply on like terms to any such other securities.
- (k) Whenever an adjustment to the Exercise Price or a change in the securities purchasable upon the exercise of Rights is made pursuant to this Section 2.3, the Corporation shall promptly:
- (i) prepare a certificate setting forth such adjustment and a brief statement of the facts accounting for such adjustment;
 - (ii) file with the Rights Agent and with each transfer agent for the Common Shares a copy of such certificate; and
 - (iii) cause notice of the particulars of such adjustment or change to be given to the holders of the Rights.
- Failure to file such certificate or to cause such notice to be given as aforesaid, or any defect therein, shall not affect the validity of any such adjustment or change.

2.4 Date on Which Exercise Is Effective

Each Person in whose name a certificate or registration in Book Entry Form for Common Shares or other securities, if applicable, is issued upon the exercise of Rights shall for all purposes be deemed to have become the holder of record of the Common Shares or other securities, if applicable, represented thereon, and such certificate shall be dated the date upon which the Rights Certificate evidencing such Rights was duly surrendered in accordance with Section 2.2(d) (together with a duly completed Election to Exercise) and

payment of the Exercise Price for such Rights (and any applicable transfer taxes and other governmental charges payable by the exercising holder hereunder) was made; provided, however, that if the date of such surrender and payment is a date upon which the Common Share transfer books of the Corporation are closed, such Person shall be deemed to have become the record holder of such shares on, and such certificate shall be dated, the next succeeding Business Day on which the Common Share transfer books of the Corporation are open.

2.5 Execution, Authentication, Delivery and Dating of Rights Certificates

Rights will be evidenced, in the case of Rights in Book Entry Form, by a statement issued under the Rights Agent's direct registration system, or alternatively, if the Corporation determines to issue Rights Certificates, by the following procedures:

- (a) The Rights Certificates shall be executed on behalf of the Corporation by any two of its Chairman, its Chief Executive Officer, its Chief Financial Officer or its Senior Vice-President, Legal and Strategy. The signature of any of these officers on the Rights Certificates may be manual or facsimile. Rights Certificates bearing the manual or facsimile signatures of individuals who were at any time the proper officers of the Corporation shall bind the Corporation, notwithstanding that such individuals or any of them have ceased to hold such offices either before or after the countersignature and delivery of such Rights Certificates.
- (b) Promptly after the Corporation learns of the Separation Time, the Corporation will notify the Rights Agent of such Separation Time and will deliver the Rights Certificates executed by the Corporation to the Rights Agent for countersignature, and the Rights Agent shall countersign (in a manner satisfactory to the Corporation) and send such Rights Certificates to the holders of the Rights pursuant to Section 2.2(c) hereof. No Rights Certificate shall be valid for any purpose until countersigned by the Rights Agent as aforesaid.
- (c) Each Rights Certificate shall be dated the date of countersignature thereof.

2.6 Registration, Transfer and Exchange

- (a) The Corporation will cause to be kept a register (the “**Rights Register**”) in which, subject to such reasonable regulations as it may prescribe, the Corporation will provide for the registration and transfer of Rights. The Rights Agent is hereby appointed registrar for the Rights (the “**Rights Registrar**”) for the purpose of maintaining the Rights Register for the Corporation and registering Rights and transfers of Rights as herein provided and the Rights Agent hereby accepts such appointment. In the event that the Rights Agent shall cease to be the Rights Registrar, the Rights Agent will have the right to examine the Rights Register at all reasonable times.
- (b) After the Separation Time and prior to the Expiration Time, upon surrender for registration of transfer or exchange of any Rights Certificate, and subject to the provisions of Section 2.6(d), the Corporation will execute, and the Rights Agent will countersign and deliver, in the name of the holder or the designated transferee or transferees, as required pursuant to the holder’s instructions, one or more new Rights Certificates evidencing the same aggregate number of Rights as did the Rights Certificates so surrendered. Alternatively, in the case of the exercise of Rights in Book Entry Form, the Rights Agent shall provide the holder or the designated transferee or the transferees with one or more statements issued under the Rights Agent’s direct registration system evidencing the same aggregate number of Rights as did the direct registration system’s records for the Rights transferred or exchanged.
- (c) All Rights issued upon any registration of transfer or exchange of Rights Certificates shall be the valid obligations of the Corporation, and such Rights shall be entitled to the same benefits under this Agreement as the Rights surrendered upon such registration of transfer or exchange.
- (d) Every Rights Certificate surrendered for registration of transfer or exchange shall be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Corporation or the Rights Agent, as the case may be, duly executed by the holder thereof or such holder’s attorney duly authorized in writing. As a condition to the issuance of any new Rights Certificate under this Section 2.6, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (e) The Corporation shall not be required to register the transfer or exchange of any Rights after the Rights have been terminated pursuant to the provisions of this Agreement.

2.7 Mutilated, Destroyed, Lost and Stolen Rights Certificates

- (a) If any mutilated Rights Certificate is surrendered to the Rights Agent prior to the Expiration Time, the Corporation shall execute and the Rights Agent shall countersign and deliver in exchange therefor a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so surrendered.
- (b) If there shall be delivered to the Corporation and the Rights Agent prior to the Expiration Time:
 - (i) evidence of ownership of any Rights Certificate;
 - (ii) evidence to their reasonable satisfaction of the destruction, loss or theft of any Rights Certificate; and
 - (iii) such security and indemnity as may be reasonably required by them to save each of them and any of their agents harmless,

then, in the absence of notice to the Corporation or the Rights Agent that such Rights Certificate has been acquired by a *bona fide* purchaser, the Corporation shall execute and upon the Corporation’s request the Rights Agent shall countersign and deliver, in lieu of any such destroyed, lost or stolen Rights Certificate, a new Rights Certificate evidencing the same number of Rights as did the Rights Certificate so destroyed, lost or stolen.

- (c) As a condition to the issuance of any new Rights Certificate under this Section 2.7, the Corporation may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses (including the reasonable fees and expenses of the Rights Agent) connected therewith.
- (d) Every new Rights Certificate issued pursuant to this Section 2.7 in lieu of any destroyed, lost or stolen Rights Certificate shall evidence the contractual obligation of the Corporation, whether or not the destroyed, lost or stolen Rights Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Agreement equally and proportionately with any and all other Rights duly issued hereunder.

2.8 Persons Deemed Owners of Rights

The Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby for all purposes whatsoever. As used in this Agreement, unless the context otherwise requires, the term “**holder**” of any Rights shall mean the registered holder of such Rights (or, prior to the Separation Time, of the associated Common Share).

2.9 Delivery and Cancellation of Certificates

All Rights Certificates surrendered upon exercise or for redemption, registration of transfer or exchange shall, if surrendered to any Person other than the Rights Agent, be delivered to the Rights Agent and, in any case, shall be promptly cancelled by the Rights Agent. The Corporation may at any time deliver to the Rights Agent for cancellation any Rights Certificates previously countersigned and delivered hereunder which the Corporation may have acquired in any manner whatsoever, and all Rights Certificates so delivered shall be promptly cancelled by the Rights Agent. No Rights Certificate shall be countersigned in lieu of or in exchange for any Rights Certificates cancelled as provided in this Section 2.9, except as expressly permitted by this Agreement. The Rights Agent shall, subject to applicable laws, destroy all cancelled Rights Certificates and deliver a certificate of destruction to the Corporation.

2.10 Agreement of Rights Holders

Every holder of Rights, by accepting the same, consents and agrees with the Corporation and the Rights Agent and with every other holder of Rights:

- (a) to be bound by and subject to the provisions of this Agreement, as amended from time to time in accordance with the terms hereof, in respect of all Rights held;
- (b) that prior to the Separation Time, each Right will be transferable only together with, and will be transferred by a transfer of, the associated Common Share certificate;
- (c) that after the Separation Time, the Rights Certificates will be transferable only on the Rights Register as provided herein;
- (d) that prior to due presentment of a Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) for registration of transfer, the Corporation, the Rights Agent and any agent of the Corporation or the Rights Agent may deem and treat the Person in whose name the Rights Certificate (or, prior to the Separation Time, the associated Common Share certificate) is registered as the absolute owner thereof and of the Rights evidenced thereby (notwithstanding any notations of ownership or writing on such Rights Certificate or the associated Common Share certificate made by anyone other than the Corporation or the Rights Agent) for all purposes whatsoever, and neither the Corporation nor the Rights Agent shall be affected by any notice to the contrary;
- (e) that such holder of Rights has waived his right to receive any fractional Rights or any fractional shares or other securities upon exercise of a Right (except as provided herein);
- (f) that without the approval of any holder of Rights or Voting Shares and upon the sole authority of the Board of Directors acting in good faith, this Agreement may be supplemented or amended from time to time pursuant to Section 5.4(a) and the last sentence of the penultimate paragraph of Section 2.3(a); and
- (g) that notwithstanding anything in this Agreement to the contrary, neither the Corporation nor the Rights Agent shall have any liability to any holder of a Right or to any other Person as a result of its inability to perform any of its obligations under this Agreement by reason of any preliminary or permanent injunction or other order, decree or ruling issued by a court of competent jurisdiction or by a government, regulatory or administrative agency or commission, or any statute, rule, regulation or executive order promulgated or enacted by any governmental authority, prohibiting or otherwise restraining performance of such obligation.

2.11 Rights Certificate Holder Not Deemed a Shareholder

No holder, as such, of any Rights or Rights Certificate shall be entitled to vote, receive dividends or be deemed for any purpose whatsoever the holder of any Common Share or any other share or security of the Corporation which may at any time be issuable on the exercise of the Rights represented thereby, nor shall anything contained herein or in any Rights Certificate be construed or deemed or confer upon the holder of any Right or Rights Certificate, as such, any right, title, benefit or privilege of a holder of Common Shares or any other shares or securities of the Corporation or any right to vote at any meeting of shareholders of the Corporation whether for the election of directors or otherwise or upon any matter submitted to holders of Common Shares or any other shares of the Corporation at any meeting thereof, or to give or withhold consent to any action of the Corporation, or to receive notice of any meeting or other action affecting any holder of Common Shares or any other shares of the Corporation except as expressly provided herein, or to receive dividends, distributions or subscription rights, or otherwise, until the Right or Rights evidenced by Rights Certificates shall have been duly exercised in accordance with the terms and provisions hereof.

ARTICLE 3
ADJUSTMENTS TO THE RIGHTS IN THE EVENT OF CERTAIN TRANSACTIONS

3.1 Flip-in Event

- (a) Subject to Section 3.1(b) and Section 5.1, in the event that prior to the Expiration Time a Flip-in Event shall occur, then each Right shall constitute, effective at the close of business on the tenth Trading Day (or such longer period as may be required to satisfy the requirements of the Securities Act and any comparable legislation of any other applicable jurisdiction) after the Stock Acquisition Date, the right to purchase from the Corporation, upon exercise of the Right in accordance with the terms of this Agreement, that number of Common Shares having an aggregate Market Price on the date of occurrence of such Flip-in Event equal to twice the Exercise Price for an amount in cash equal to the Exercise Price (such right to be appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 in the event that after the consummation or occurrence or event, an event of a type analogous to any of the events described in Section 2.3 shall have occurred).
- (b) Notwithstanding anything in this Agreement to the contrary, upon the occurrence of any Flip-in Event, any Rights that are or were Beneficially Owned on or after the earlier of the Separation Time and the Stock Acquisition Date by:
- (i) an Acquiring Person (or any nominee, Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any nominee, Affiliate or Associate of such Acquiring Person); or
 - (ii) a transferee or other successor in title of Rights, directly or indirectly, from an Acquiring Person (or any nominee, Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any nominee, Affiliate or Associate of an Acquiring Person) in a transfer made after the date hereof, whether or not for consideration, that the Board of Directors acting in good faith has determined is part of a plan, arrangement or scheme of an Acquiring Person (or any nominee, Affiliate or Associate of an Acquiring Person or any Person acting jointly or in concert with an Acquiring Person or any nominee, Associate or Affiliate of an Acquiring Person) that has the purpose or effect of avoiding Section 3.1(b)(i),

shall be deemed null and void without any further action, and any holder of such Rights (including any transferees) shall thereafter have no right to exercise such Rights under any provision of this Agreement and further shall thereafter not have any other rights whatsoever with respect to such Rights, whether under any provision of this Agreement or otherwise. The holder of any Rights represented by a Rights Certificate which is submitted to the Rights Agent upon exercise or for registration of transfer or exchange which does not contain the necessary certifications set forth in the Rights Certificate establishing that such Rights are not void under this subsection 3.1(b) shall be deemed to be an Acquiring Person for the purposes of this subsection 3.1(b) and such Rights shall be deemed and become null and void.

- (c) From and after the Separation Time, the Corporation shall do all such acts and things as shall be necessary and within its power to ensure compliance with the provisions of Section 3.1, including without limitation, all such acts and things as may be required to satisfy the requirements of the CBCA, the Securities Act and the securities laws or comparable legislation in each of the provinces of Canada in respect of the issue of Common Shares upon the exercise of Rights in accordance with this Agreement.
- (d) Any Rights Certificate that would represent Rights Beneficially Owned by a Person described in either Section 3.1(b)(i) or 3.1(b)(ii) or transferred to any nominee, Associate or Affiliate of any such Person, and any Rights Certificate that would be issued upon transfer, exchange, replacement or adjustment of any other Rights Certificate referred to in this sentence, shall either not be issued by either upon the instruction of the Corporation in writing to the Rights Agent or contain the following legend:

“The Rights represented by this Rights Certificate were issued to a Person who was an Acquiring Person or an Affiliate or an Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Plan Agreement) or a Person who was acting jointly or in concert with an Acquiring Person or an Affiliate or Associate of an Acquiring Person (as such terms are defined in the Shareholder Rights Plan Agreement). This Rights Certificate and the Rights represented hereby are void or shall become void in the circumstances specified in Section 3.1(b) of the Shareholder Rights Plan Agreement.”,

provided, however, that the Rights Agent shall not be under any responsibility to ascertain the existence of facts that would require the imposition of such legend but shall impose such legend only if instructed to do so by the Corporation in writing or if a holder fails to certify upon transfer or exchange in the space provided on the Rights Certificate that such holder is not a Person described in such legend. The issuance of a Rights Certificate without the legend referred to in this Section 3.1(d) shall be of no effect on the provisions of Section 3.1(b).

ARTICLE 4
THE RIGHTS AGENT

4.1 General

- (a) The Corporation hereby appoints the Rights Agent to act as agent for the Corporation and the holders of the Rights in accordance with the terms and conditions of this Agreement, and the Rights Agent hereby accepts such appointment. The Corporation may from time to time appoint one or more co- Rights Agents ("**Co-Rights Agents**") as it may deem necessary or desirable, subject to approval of the Rights Agent. In the event the Corporation appoints one or more Co-Rights Agents, the respective duties of the Rights Agent and Co-Rights Agents shall be as the Corporation may determine with the approval of the Rights Agent and the Co-Rights Agents. The Corporation agrees to pay the Rights Agent reasonable compensation for all services rendered by it hereunder or otherwise agreed to with the Corporation in writing and, from time to time, on demand of the Rights Agent, its reasonable expenses (including fees and disbursements of legal counsel, to the extent they are reasonable) incurred in the administration and execution of this Agreement and the exercise and performance of its duties hereunder. The Corporation also agrees to indemnify the Rights Agent, its officers, directors, employees and agents for, and to hold such persons harmless against, any loss, liability, cost, claim, action, suit, damage, or expense incurred (that is not the result of gross negligence, bad faith or wilful misconduct on the part of any one or all of the Rights Agent, its officers, directors, employees or agents) for anything done or omitted by the Rights Agent in connection with the acceptance and administration of this Agreement, including the costs and expenses of defending against any claims or liability, which right to indemnification will survive the termination of this Agreement or the resignation or removal of the Rights Agent.
- (b) The Rights Agent shall be protected from and shall incur no liability for or in respect of any action taken, suffered or omitted by it in connection with its administration of this Agreement in reliance upon any certificate for Common Shares, Rights Certificate, certificate for other securities of the Corporation, instrument of assignment or transfer, power of attorney, endorsement, affidavit, letter, notice, direction, consent, certificate, opinion, statement, or other paper or document believed by it to be genuine and to be signed, executed and, where necessary, verified or acknowledged, by the proper Person or Persons.

The Corporation shall inform the Rights Agent in a reasonably timely manner of events which may materially affect the administration of this Agreement by the Rights Agent and, at any time upon request, shall provide to the Rights Agent an incumbency certificate certifying the then current officers of the Corporation.

- (c) Notwithstanding any other provision of this Agreement, and whether such losses or damages are foreseeable or unforeseeable, the Rights Agent shall not be liable under any circumstances whatsoever for any (a) breach by any other party of securities law or other rule of any securities regulatory authority, (b) lost profits or (c) special, indirect, incidental, consequential, exemplary, aggravated or punitive losses or damages unless caused by the gross negligence, bad faith or wilful misconduct of the Rights Agent.

Notwithstanding any other provision of this Agreement, any liability of the Rights Agent shall be limited, in the aggregate, to the amount of fees paid by the Corporation to the Rights Agent under this Agreement.

4.2 Merger, Amalgamation or Consolidation or Change of Name of Rights Agent

- (a) Any corporation into which the Rights Agent may be merged or amalgamated or with which it may be consolidated, or any corporation resulting from any merger, amalgamation, statutory arrangement or consolidation to which the Rights Agent is a party, or any corporation succeeding to the security holder services business of the Rights Agent, will be the successor to the Rights Agent under this Agreement without the execution or filing of any paper or any further act on the part of any of the parties hereto, provided that such corporation would be eligible for appointment as a successor Rights Agent under the provisions of Section 4.4 hereof. In case at the time such successor Rights Agent succeeds to the agency created by this Agreement any of the Rights Certificates have been countersigned but not delivered, any successor Rights Agent may adopt the countersignature of the predecessor Rights Agent and deliver such Rights Certificates so countersigned; and in case at that time any of the Rights Certificates have not been countersigned, any successor Rights Agent may countersign such Rights Certificates in the name of the predecessor Rights Agent or in the name of the successor Rights Agent; and in all such cases such Rights Certificates will have the full force provided in the Rights Certificates and in this Agreement.
- (b) In case at any time the name of the Rights Agent is changed and at such time any of the Rights Certificates shall have been countersigned but not delivered, the Rights Agent may adopt the countersignature under its prior name and deliver Rights Certificates so countersigned; and in case at that time any of the Rights Certificates shall not have been countersigned, the Rights Agent may countersign such Rights Certificates either in its prior name or in its changed name; and in all such cases such Rights Certificates shall have the full force provided in the Rights Certificates and in this Agreement.

4.3 Duties of Rights Agent

The Rights Agent undertakes the duties and obligations imposed by this Agreement upon the following terms and conditions, by all of which the Corporation and the holders of Common Shares and Rights, by their acceptance thereof, shall be bound.

- (a) The Rights Agent may retain and consult with legal counsel (who may be legal counsel for the Corporation and, in any event, shall be a reputable legal firm) and the opinion of such counsel will be full and complete authorization and protection to the Rights Agent as to any action taken or omitted by it in good faith and in accordance with such opinion and the Rights Agent may also, with the approval of the Corporation, consult with such other experts as the Rights Agent shall consider necessary or appropriate to properly carry out the duties and obligations imposed under this Agreement (at the Corporation's expense) and the Rights Agent shall be entitled to act and rely in good faith on the advice of any such expert.
- (b) Whenever in the performance of its duties under this Agreement, the Rights Agent deems it necessary or desirable that any fact or matter be proved or established by the Corporation prior to taking or suffering any action hereunder, such fact or matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a certificate signed by a Person believed by the Rights Agent to be the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, or the Senior Vice-President, Legal and Strategy of the Corporation and delivered to the Rights Agent; and such certificate will be full authorization to the Rights Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon such certificate.
- (c) The Rights Agent will be liable hereunder only for events which are the result of its own gross negligence, bad faith or wilful misconduct.
- (d) The Rights Agent will not be liable for or by reason of any of the statements of fact or recitals contained in this Agreement or in the certificates for Common Shares or the Rights Certificates (except its countersignature thereof) or be required to verify the same, but all such statements and recitals are and will be deemed to have been made by the Corporation only.
- (e) The Rights Agent will not be under any responsibility in respect of the validity of this Agreement or the execution and delivery hereof (except the due authorization, execution and delivery hereof by the Rights Agent) or in respect of the validity or execution of any certificate for a Common Share or Rights Certificate (except its countersignature thereof); nor will it be responsible for any breach by the Corporation of any covenant or condition contained in this Agreement or in any Rights Certificate; nor will it be responsible for any change in the exercisability of the Rights (including the Rights becoming void pursuant to Section 3.1(b) hereof) or any adjustment required under the provisions of Section 2.3 hereof or responsible for the manner, method or amount of any such adjustment or the ascertaining of the existence of facts that would require any such adjustment (except with respect to the exercise of Rights after receipt of the certificate contemplated by Section 2.3 describing any such adjustment); nor will it by any act hereunder be deemed to make any representation or warranty as to the authorization of any Common Shares to be issued pursuant to this Agreement or any Rights or as to whether any Common Shares will, when issued, be duly and validly authorized, executed, issued and delivered and fully paid and non-assessable.
- (f) Each of the Corporation and the Rights Agent agrees that it will perform, execute, acknowledge and deliver or cause to be performed, executed, acknowledged and delivered all such further and other acts, instruments and assurances as may reasonably be required by the Rights Agent for the carrying out or performing of the provisions of this Agreement.
- (g) The Rights Agent is hereby authorized and directed to accept instructions in writing (including by e-mail) with respect to the performance of its duties hereunder from any individual believed by the Rights Agent to be the Chairman of the Board of Directors, the Chief Executive Officer, the Chief Financial Officer, or the Senior Vice-President, Legal and Strategy, and to apply to such individuals for advice or instructions in connection with its duties, and it shall not be liable for any action taken or suffered by it in good faith in accordance with instructions of any such individual.
- (h) The Rights Agent and any shareholder or stockholder, director, officer or employee of the Rights Agent may buy, sell or deal in Common Shares, Rights or other securities of the Corporation or become financially interested in any transaction in which the Corporation may be interested, or contract with or lend money to the Corporation or otherwise act as fully and freely as though it were not the Rights Agent under this Agreement. Nothing herein shall preclude the Rights Agent from acting in any other capacity for the Corporation or for any other legal entity, provided such actions would not place the Rights Agent in a position of conflict of interest with respect to its duties under this Agreement.
- (i) The Rights Agent may execute and exercise any of the rights or powers hereby vested in it or perform any duty hereunder either itself or by or through its attorneys or agents, and the Rights Agent will not be answerable or accountable for any act, default, neglect or misconduct of any such attorneys or agents or for any loss to the Corporation resulting from any such act, default, neglect or misconduct, provided reasonable care was exercised in the selection and continued employment thereof.

4.4 Change of Rights Agent

The Rights Agent may resign and be discharged from its duties under this Agreement upon 60 days' notice (or such lesser notice as is acceptable to the Corporation) in writing mailed to the Corporation and to each transfer agent of Common Shares by registered or certified mail. The Corporation may remove the Rights Agent upon 30 days' notice in writing, mailed to the Rights Agent and to each transfer agent of the Common Shares by registered or certified mail. If the Rights Agent should resign or be removed or otherwise become incapable of acting, the Corporation will appoint a successor to the Rights Agent. If the Corporation fails to make such appointment within a period of 60 days after such removal or after it has been notified in writing of such resignation or incapacity by the resigning or incapacitated Rights Agent, then by prior written notice to the Corporation the resigning Rights Agent (at the Corporation's expense) or the holder of any Rights (which holder shall, with such notice, submit such holder's Rights Certificate, if any, for inspection by the Corporation), may apply to any court of competent jurisdiction for the appointment of a new Rights Agent. Any successor Rights Agent, whether appointed by the Corporation or by such a court, shall be a company constituted under the laws of Canada or a province thereof authorized to carry on the business of a trust company in the Province of Ontario. After appointment, the successor Rights Agent will be vested with the same powers, rights, duties and responsibilities as if it had been originally named as Rights Agent without further act or deed; but the predecessor Rights Agent, upon receipt of all outstanding fees and expenses owing to it, shall deliver and transfer to the successor Rights Agent any property at the time held by it hereunder, and execute and deliver any further assurance, conveyance, act or deed necessary for the purpose. Not later than the effective date of any such appointment, the Corporation will file notice thereof in writing with the predecessor Rights Agent and each transfer agent of the Common Shares, and mail a notice thereof in writing to the holders of the Rights in accordance with Section 5.9. The cost of giving any notice required under this Section 4.4, shall be borne solely by the Corporation. Failure to give any notice provided for in this Section 4.4, however, or any defect therein, shall not affect the legality or validity of the resignation or removal of the Rights Agent or the appointment of any successor Rights Agent, as the case may be.

4.5 Compliance with Money Laundering Legislation

The Rights Agent shall retain the right not to act and shall not be liable for refusing to act if, due to a lack of information or for any other reason whatsoever, the Rights Agent reasonably determines that such an act might cause it to be in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline. Further, should the Rights Agent reasonably determine at any time that its acting under this Agreement has resulted in it being in non-compliance with any applicable anti-money laundering or anti-terrorist legislation, regulation or guideline, then it shall have the right to resign on ten (10) Business Days' prior written notice to the Corporation, provided: (i) that the Rights Agent's written notice shall describe the circumstances of such non-compliance; and (ii) that if such circumstances are rectified to the Rights Agent's satisfaction within such ten (10) Business Day period, then such resignation shall not be effective. Subject to applicable law, the Rights Agent agrees to notify the Corporation as soon as reasonably possible in the event that the Rights Agent has concerns which may give rise to the rights of the Rights Agent to resign under this paragraph and such notice shall describe the basis for such concerns.

4.6 Privacy Legislation

The parties acknowledge that federal and/or provincial legislation that addresses the protection of individuals' personal information (collectively, "**Privacy Laws**") may apply to obligations and activities under this Agreement. Despite any other provision of this Agreement, neither party will take or direct any action that would contravene, or cause the other to contravene, applicable Privacy Laws. The Corporation will, prior to transferring or causing to be transferred personal information to the Rights Agent pursuant to this Agreement, obtain and retain required consents of the relevant individuals to the collection, use and disclosure of their personal information, or will have determined that such consents either have previously been given upon which the parties can rely or are not required under the Privacy Laws. The Rights Agent will use commercially reasonable efforts to ensure that its services hereunder comply with Privacy Laws.

ARTICLE 5 MISCELLANEOUS

5.1 Redemption and Waiver

- (a) The Board of Directors shall waive the application of Section 3.1 in respect of the occurrence of any Flip-in Event if the Board of Directors has determined, following a Stock Acquisition Date and prior to the Separation Time, that a Person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that it would become, an Acquiring Person under this Agreement and, in the event that such a waiver is granted by the Board of Directors, such Stock Acquisition Date shall be deemed not to have occurred. Any such waiver pursuant to this Section 5.1(a) must be on the condition that such Person, within 14 days after the foregoing determination by the Board of Directors or such earlier or later date as the Board of Directors may determine (the "**Disposition Date**"), has reduced its Beneficial Ownership of Voting Shares such that the Person is no longer an Acquiring Person. If the Person remains an Acquiring Person at the close of business on the Disposition Date, the Disposition Date shall be deemed to be the date of occurrence of a further Stock Acquisition Date and Section 3.1 shall apply thereto.

- (b) The Board of Directors acting in good faith may, prior to a Flip-in Event having occurred, upon prior written notice delivered to the Rights Agent, determine to waive the application of Section 3.1 to a Flip-in Event that may occur by reason of a Take-over Bid made by means of a take-over bid circular to all holders of record of Voting Shares (which for greater certainty shall not include the circumstances described in Section 5.1(a)), provided that if the Board of Directors waives the application of Section 3.1 to a particular Flip-in Event pursuant to this Section 5.1(b), the Board of Directors shall be deemed to have waived the application of Section 3.1 to any other Flip-in Event occurring by reason of any Take-over Bid which is made by means of a Take-over Bid circular to all holders of Voting Shares prior to the expiry of any Take-over Bid (as the same may be extended from time to time) in respect of which a waiver is, or is deemed to have been granted under this Section 5.1(b).
- (c) In the event that prior to the occurrence of a Flip-in Event a Person acquires, pursuant to a Permitted Bid, a Competing Permitted Bid or an Exempt Acquisition under Section 5.1(b), outstanding Voting Shares, then the Board of Directors shall, immediately upon the consummation of such acquisition without further formality be deemed to have elected to redeem all of the then outstanding Rights at a redemption price of \$0.00001 per Right appropriately adjusted in a manner analogous to the applicable adjustment provided for in Section 2.3 if an event of the type analogous to any of the events described in Section 2.3 shall have occurred (such redemption price being herein referred to as the **“Redemption Price”**).
- (d) The Board of Directors may, with the prior approval of the holders of Voting Shares or Rights given in accordance with the terms of Section 5.4, at any time prior to the occurrence of a Flip-in Event elect to redeem all but not less than all of the then outstanding Rights at the Redemption Price appropriately adjusted in a manner analogous to the applicable adjustments provided for in Section 2.3, which adjustments shall only be made in the event that an event of the type analogous to any of the events described in Section 2.3 shall have occurred.
- (e) The Board of Directors may, with the prior approval of the holders of Common Shares given in accordance with Section 5.4 at any time prior to the occurrence of a Flip-in Event as to which the application of Section 3.1 hereof has not been waived pursuant to this Section 5.1(a), if such Flip-in Event would occur by reason of an acquisition of Common Shares or Convertible Securities otherwise than pursuant to a Take-over Bid made by means of a Take-over Bid circular to all registered holders of Common Shares and otherwise than in the circumstances set forth in Section 5.1(a), waive the application of Section 3.1 to such Flip-in Event. In such event, the Board of Directors shall extend the Separation Time to a date at least ten (10) Business Days subsequent to the meeting of shareholders called to approve such waiver.
- (f) The Board of Directors may, prior to the close of business on the tenth Trading Day following a Stock Acquisition Date or such later Business Day as they may from time to time determine, upon prior written notice delivered to the Rights Agent, waive the application of Section 3.1 to the related Flip-in Event, provided that the Acquiring Person has reduced its Beneficial Ownership of Voting Shares (or has entered into a contractual arrangement with the Corporation, acceptable to the Board of Directors, to do so within 10 calendar days of the date on which such contractual arrangement is entered into or such other date as the Board of Directors may have determined) such that at the time the waiver becomes effective pursuant to this Section 5.1(f) such Person is no longer an Acquiring Person. In the event of such a waiver becoming effective prior to the Separation Time, for the purposes of this Agreement, such Flip-in Event shall be deemed not to have occurred.
- (g) Where a Take-over Bid that is not a Permitted Bid or a Competing Permitted Bid is withdrawn or otherwise terminated after the Separation Time has occurred and prior to the occurrence of a Flip-in Event, the Board of Directors may elect to redeem all the outstanding Rights at the Redemption Price. Notwithstanding the foregoing, upon the Rights being redeemed pursuant to this Section 5.1(g), all the provisions of this Agreement shall continue to apply as if the Separation Time had not occurred and Rights Certificates representing the number of Rights held by each holder of record of Common Shares as of the Separation Time had not been mailed to each such holder and for all purposes of this Agreement the Separation Time shall be deemed not to have occurred and the Rights shall remain attached to outstanding Common Shares subject to and in accordance with this Agreement.
- (h) If the Board of Directors is deemed under Section 5.1(c) to have elected or elects under Sections 5.1(d) or (g) to redeem the Rights, the right to exercise the Rights will thereupon, without further action and without notice, terminate and the only right thereafter of the holders of Rights shall be to receive the Redemption Price.
- (i) Within 10 calendar days after the Board of Directors is deemed under Section 5.1(c) to have elected or elects under Section 5.1(d) or (g) to redeem the Rights, the Corporation shall give notice of redemption to the holders of the then outstanding Rights by mailing such notice to each such holder at his last address as it appears upon the registry books of the Rights Agent or, prior to the Separation Time, on the registry books of the transfer agent for the Voting Shares. Any notice which is mailed in the manner herein provided shall be deemed given, whether or not the holder receives the notice. Each such notice of redemption will state the method by which the payment of the Redemption Price will be made.
- (j) The Corporation shall give prompt written notice to the Rights Agent of any waiver of the application of Section 3.1 pursuant to this Section 5.1.

5.2 Expiration

No Person shall have any rights whatsoever pursuant to this Agreement or in respect of any Right after the Expiration Time, except the Rights Agent as specified in Section 4.1(a) of this Agreement.

5.3 Issuance of New Rights Certificates

Notwithstanding any of the provisions of this Agreement or of the Rights to the contrary, the Corporation may, at its option, issue new Rights Certificates evidencing Rights in such form as may be approved by the Board of Directors to reflect any adjustment or change in the number or kind or class of securities purchasable upon exercise of Rights made in accordance with the provisions of this Agreement.

5.4 Supplements and Amendments

- (a) The Corporation may make any amendments to this Agreement from time to time to correct any clerical or typographical error or which are required to maintain the validity of the Agreement as a result of any change in any applicable legislation, rules or regulations or a decision of a court or regulatory authority. Notwithstanding anything in this Section 5.4 to the contrary, no amendment shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent to such supplement or amendment.
- (b) Subject to Section 5.4(a), the Corporation may, with the prior consent of the holders of Voting Shares obtained as set forth below, at any time before the Separation Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if provided by the holders of Voting Shares at a Special Meeting, which Special Meeting shall be called and held in compliance with applicable laws and regulatory requirements and the requirements in the notice of articles and articles of the Corporation. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by all holders of Voting Shares (other than any holder who does not qualify as an Independent Shareholder, with respect to all Voting Shares Beneficially Owned by such holder), represented in person or by proxy at the Special Meeting.
- (c) The Corporation may, with the prior consent of the holders of Rights obtained as set forth below, at any time after the Separation Time and before the Expiration Time, amend, vary or rescind any of the provisions of this Agreement and the Rights (whether or not such action would materially adversely affect the interests of the holders of Rights generally), provided that no such amendment, variation or deletion shall be made to the provisions of Article 4 except with the written concurrence of the Rights Agent thereto. Such consent shall be deemed to have been given if provided by the holders of Rights at a Rights Holders' Special Meeting, which Rights Holders' Special Meeting shall be called and held in compliance with applicable laws and regulatory requirements and, to the extent possible, with the requirements in the notice of articles and articles of the Corporation applicable to meetings of holders of Common Shares, applied *mutatis mutandis*. Subject to compliance with any requirements imposed by the foregoing, consent shall be given if the proposed amendment, variation or rescission is approved by the affirmative vote of a majority of the votes cast by holders of Rights (other than holders of Rights whose Rights have become null and void pursuant to Section 3.1(b)), represented in person or by proxy at the Rights Holders' Special Meeting.
- (d) Any consent or approval of the holders of Rights shall be deemed to have been given if the action requiring such approval is authorized by the affirmative votes of the holders of Rights present or represented at and entitled to be voted at a meeting of the holders of Rights and representing a majority of the votes cast in respect thereof. For the purposes hereof, each outstanding Right (other than Rights which are null and void pursuant to the provisions hereof or Rights that are held by a Person that acquired Beneficial Ownership of Voting Shares in breach of any agreement, commitment or understanding with the Corporation or any of its Affiliates) shall be entitled to one vote, and the procedures for the calling, holding and conduct of the meeting shall be those, as nearly as may be, which are provided in the Corporation's notice of articles and articles and the CBCA with respect to the meetings of holders of Common Shares.
- (e) Any amendments, variations or deletions made by the Corporation to this Agreement pursuant to Section 5.4(a) other than any amendment to correct any clerical or typographical error shall:
 - (i) if made before the Separation Time, be submitted to the holders of Voting Shares at the next meeting of shareholders and the holders of Voting Shares may, by the majority referred to in Section 5.4(b) confirm or reject such amendment; or
 - (ii) if made after the Separation Time, be submitted to the holders of Rights at a meeting to be called for on a date not later than immediately following the next meeting of shareholders of the Corporation and the holders of Rights may, by resolution passed by the majority referred to in Section 5.4(d) confirm or reject such amendment.

Any such amendment shall be effective from the date of the resolution of the Board of Directors adopting such amendment, until it is confirmed or rejected or until it ceases to be effective (as described in the next sentence) and, where such amendment is confirmed, it continues in effect in the form so confirmed. If such amendment is rejected by the shareholders or the holders of Rights or is not submitted to the shareholders or holders of Rights as required, then such amendment shall cease to be effective from and after the termination of the meeting at which it was rejected or to which it should have been but was not submitted or from and after the date of the meeting of holders of Rights that should have been but was not held, and no subsequent resolution of the Board of Directors to amend this Agreement to substantially the same effect shall be effective until confirmed by the shareholders or holders of Rights as the case may be.

- (f) The Corporation shall be required to provide the Rights Agent with notice in writing of any amendment, variation or deletion to this Agreement referred to in this Section 5.4 within five days of effecting such amendment, variation or deletion.
- (g) Any supplement or amendment to this Agreement pursuant to Section 5.4(b) through Section 5.4(e) shall be subject to the receipt of any requisite approval or consent from any governmental or regulatory authority having jurisdiction over the Corporation, including without limitation any requisite approval of stock exchanges on which the Voting Shares are listed.

5.5 Fractional Rights and Fractional Shares

- (a) The Corporation shall not be required to issue fractions of Rights or to distribute Rights Certificates which evidence fractional Rights and the Corporation shall not be required to pay any amount to a holder of record of Rights Certificates in lieu of such fractional Rights.
- (b) The Corporation shall not be required to issue fractions of Common Shares upon exercise of Rights or to distribute certificates which evidence fractional Common Shares. In lieu of issuing fractional Common Shares, the Corporation shall be entitled to pay to the registered holders of Rights Certificates, at the time such Rights are exercised as herein provided, an amount in cash equal to the fraction of the Market Price of one Common Share that the fraction of a Common Share that would otherwise be issuable upon the exercise of such Right is of one whole Common Share at the date of such exercise.

5.6 Rights of Action

Subject to the terms of this Agreement, all rights of action in respect of this Agreement, other than rights of action vested solely in the Rights Agent, are vested in the respective holders of the Rights. Any holder of Rights, without the consent of the Rights Agent or of the holder of any other Rights, may, on such holder's own behalf and for such holder's own benefit and the benefit of other holders of Rights, enforce, and may institute and maintain any suit, action or proceeding against the Corporation to enforce such holder's right to exercise such holder's Rights, or Rights to which such holder is entitled, in the manner provided in such holder's Rights Certificate and in this Agreement. Without limiting the foregoing or any remedies available to the holders of Rights, it is specifically acknowledged that the holder of Rights would not have an adequate remedy at law for any breach of this Agreement and will be entitled to specific performance of the obligations under, and injunctive relief against actual or threatened violations of the obligations of any Person subject to, this Agreement.

5.7 Regulatory Approvals

Any obligation of the Corporation or action or event contemplated by this Agreement shall be subject to the receipt of any requisite acceptance, approval or consent from any applicable governmental or regulatory authority, and without limiting the generality of the foregoing, necessary approvals of any stock exchange shall be obtained, such as approvals relating to the issuance of Common Shares upon the exercise of Rights under Section 2.2(d).

5.8 Declaration as to Foreign Holders

If in the opinion of the Board of Directors (who may rely upon the advice of counsel) any action or event contemplated by this Agreement would require compliance by the Corporation with the securities laws or comparable legislation of a jurisdiction outside Canada, the Board of Directors acting in good faith may take such actions as it may deem appropriate to ensure that such compliance is not required, including without limitation establishing procedures for the issuance to a Canadian resident Fiduciary of Rights or securities issuable on exercise of Rights, the holding thereof in trust for the Persons entitled thereto (but reserving to the Fiduciary or to the Fiduciary and the Corporation, as the Corporation may determine, absolute discretion with respect thereto) and the sale thereof and remittance of the proceeds of such sale, if any, to the Persons entitled thereto. In no event shall the Corporation or the Rights Agent be required to issue or deliver Rights or securities issuable on exercise of Rights to Persons who are citizens, residents or nationals of any jurisdiction other than Canada in which such issue or delivery would be unlawful without registration of the relevant Persons or securities for such purposes.

5.9 Notices

- (a) Notices or demands authorized or required by this Agreement to be given or made by the Rights Agent or by the holder of any Rights to or on the Corporation shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Rights Agent), or by e-mail or other form of recorded electronic communication, charges prepaid and confirmed in writing, as follows:

Definity Financial Corporation
111 Westmount Road South
P.O. Box 2000
Waterloo, Ontario, N2J 4S4

Attention: General Counsel and Corporate Secretary

Email: CorporateSecretary@definity.com

- (b) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or by the holder of any Rights to or on the Rights Agent shall be sufficiently given or made if delivered, sent by registered or certified mail, postage prepaid (until another address is filed in writing with the Corporation), or sent by facsimile or other form of recorded electronic communication, charges prepaid, and confirmed in writing, as follows:

Computershare Investor Services Inc.
100 University Avenue, 8th Floor
Toronto, ON M5G 2Y1

Attention: Manager, Client Services

Fax No.: 416-981-9800

- (c) Notices or demands authorized or required by this Agreement to be given or made by the Corporation or the Rights Agent to or on the holder of any Rights shall be sufficiently given or made if delivered or sent by certified mail, postage prepaid, addressed to such holder at the address of such holder as it appears upon the register of the Rights Agent or, prior to the Separation Time, on the register of the Corporation for its Common Shares. Any notice which is mailed or sent in the manner herein provided shall be deemed given, whether or not the holder receives the notice.
- (d) Any notice given or made in accordance with this Section 5.9 shall be deemed to have been given and to have been received on the day of delivery, if delivered, on the third Business Day (excluding each day during which there exists any general interruption of postal service due to strike, lockout or other cause) following the mailing thereof, if mailed, and on the day of telegraphing, telecopying or sending of the same by other means of recorded electronic communication (provided such sending is during the normal business hours of the addressee on a Business Day and if not, on the first Business Day thereafter). Each of the Corporation and the Rights Agent may from time to time change its address for notice by notice to the other given in the manner aforesaid.
- (e) If mail service is or is threatened to be interrupted at a time when the Corporation or the Rights Agent wishes to give a notice or demand hereunder to or on the holders of the Rights, the Corporation or the Rights Agent may, notwithstanding the foregoing provisions of this Section 5.9, give such notice by means, of publication once in each of two successive weeks in the business section of The Globe and Mail and notice so published shall be deemed to have been given on the date on which the first publication of such notice in any such publication has taken place.

5.10 Costs of Enforcement

The Corporation agrees that if it fails to fulfil any of its obligations pursuant to this Agreement, then it will reimburse the holder of any Rights for the costs and expenses (including reasonable legal fees) incurred by such holder to enforce his rights pursuant to any Rights or this Agreement.

5.11 Successors

All the covenants and provisions of this Agreement by or for the benefit of the Corporation or the Rights Agent shall bind and enure to the benefit of their respective successors and permitted assigns hereunder.

5.12 Benefits of this Agreement

Nothing in this Agreement shall be construed to give to any Person other than the Corporation, the Rights Agent and the holders of the Rights any legal or equitable right, remedy or claim under this Agreement; further, this Agreement shall be for the sole and exclusive benefit of the Corporation, the Rights Agent and the holders of the Rights.

5.13 Governing Law

This Agreement and each Right issued hereunder shall be deemed to be a contract made under the laws of the Province of Ontario and for all purposes shall be governed by and construed in accordance with the laws of such Province applicable to contracts to be made and performed entirely within such Province.

5.14 Severability

If any term or provision hereof or the application thereof to any circumstance shall, in any jurisdiction and to any extent, be invalid or unenforceable, such term or provision shall be ineffective only as to such jurisdiction and to the extent of such invalidity or unenforceability in such jurisdiction without invalidating or rendering unenforceable or ineffective the remaining terms and provisions hereof in such jurisdiction or the application of such term or provision in any other jurisdiction or to circumstances other than those as to which it is specifically held invalid or unenforceable.

5.15 Effective Date

This Agreement is effective and in full force and effect in accordance with its terms from and after the Effective Date. Notwithstanding the foregoing, if this Agreement is not approved by a resolution passed by a majority of the votes cast by shareholders of the Corporation (subject to any additional requirements relating to such vote prescribed by a stock exchange on which the Voting Shares are then listed) who vote in respect of such and approval at the Corporation's 2024 annual meeting of shareholders or at any adjournment or postponement thereof, then this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect from and after the end of such annual meeting of the shareholders of the Corporation.

5.16 Reconfirmation

This Agreement must be reconfirmed by a resolution passed by a majority of the votes cast by all holders of Voting Shares who vote in respect of such reconfirmation (other than any holder who does not qualify as an Independent Shareholder, with respect to all Voting Shares Beneficially Owned by such Person) at every third annual meeting following the meeting of shareholders at which this Agreement is confirmed (or reconfirmed). If this Agreement is not so reconfirmed or is not presented for reconfirmation at such annual meeting, this Agreement and all outstanding Rights shall terminate and be void and of no further force and effect on and from the date of termination of the annual meeting; provided that termination shall not occur if a Flip-in Event has occurred (other than a Flip-in Event which has been waived pursuant to Section 5.1) prior to the date upon which this Agreement would otherwise terminate pursuant to this Section 5.16.

5.17 Determinations and Actions by the Board of Directors

All actions, calculations and determinations (including all omissions with respect to the foregoing) which are done or made by the Board of Directors for the purposes hereof, in good faith, shall not subject the Board of Directors or any director of the Corporation to any liability to the holders of the Rights.

5.18 Time of the Essence

Time shall be of the essence in this Agreement.

5.19 Execution in Counterparts

This Agreement may be executed in any number of counterparts and may be executed and delivered by facsimile or similar electronic copy and each of such counterparts and facsimiles or similar electronic copies shall for all purposes be deemed to be an original, and all such counterparts and facsimiles or similar electronic copies shall together constitute one and the same agreement.

[Remainder of page left blank intentionally]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

DEFINITY FINANCIAL CORPORATION

By: “Michael Padfield”
Name: Michael Padfield
Title: SVP, General Counsel & Corporate Secretary

COMPUTERSHARE INVESTOR SERVICES INC.

By: “Kate Stevens”
Name: Kate Stevens
Title: Manager, Client Services

By: “Arlene Arellano”
Name: Arlene Arellano
Title: Manager, Client Services



definity.

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