

**SUBSCRIPTION AGREEMENT**

November 11, 2020

Intact Financial Corporation  
700 University Avenue, Suite 1500  
Toronto, Ontario  
M5G 0A1

Attention: [REDACTED]  
[REDACTED]

**Subscription for Subscription Receipts**

On the basis of the representations provided to CPP Investment Board PMI-2 Inc. (the “**Investor**”) by Intact Financial Corporation (the “**Corporation**”), the Investor understands that:

- (a) the Corporation intends to announce (the “**Rule 2.7 Announcement**”) in the United Kingdom under Rule 2.7 of The City Code on Takeovers and Mergers (the “**Takeover Code**”) its firm intention to make an offer, pursuant to which the Corporation will indirectly acquire (the “**Acquisition**”) all of the issued and to be issued ordinary shares of RSA Insurance Group PLC (the “**Target**”), for the sum of 685 pence per ordinary share, as the same may be increased or revised as permitted by the Takeover Code (the “**Acquisition Price**”), payable in cash by the Corporation or one of its wholly-owned Subsidiaries (as hereinafter defined), and a transaction whereby Tryg A/S (“**Tryg**”) would acquire the Scandinavian operations of the Target, except in Denmark where the operations would be operated by a joint venture between the Corporation and Tryg, the whole subject to the terms and conditions set out in the Rule 2.7 Announcement, such Acquisition to be carried out by means of a court-sanctioned scheme of arrangement (a “**Scheme**”) or a takeover offer (a “**Takeover Offer**”) under the U.K. Companies Act 2006;
- (b) the Corporation wishes to enter into this Agreement (as hereinafter defined) with the Investor pursuant to which, at the Closing Time (as hereinafter defined), the Corporation will issue to the Investor, and the Investor will subscribe for from the Corporation (the “**Investor Private Placement**”), an aggregate of 8,921,934 Subscription Receipts (the “**Subscribed Securities**”), at a price of \$134.50 per Subscribed Security, for aggregate gross proceeds of \$1,200,000,123.00, with such proceeds being used to fund a portion of the Escrowed Funds (as hereinafter defined); and
- (c) concurrently with the Investor Private Placement, the Corporation has also agreed to issue to:
  - (i) **CDPQ Marchés boursiers inc. (“CDPQ”)** pursuant to a subscription agreement (the “**CDPQ Subscription Agreement**”), an aggregate of 11,152,417 Subscription Receipts at the Closing Time (such private placement with CDPQ, the “**CDPQ Private Placement**”); and
  - (ii) **2380162 Ontario Limited (“OTPP”)** and, collectively with the Investor and CDPQ, the “**Cornerstones**”) pursuant to a subscription agreement (the “**OTPP**”)

**Subscription Agreement**" and, collectively with this Agreement and the CDPQ Subscription Agreement, the "**Cornerstone Private Placement Subscription Agreements**"), an aggregate of 3,717,473 Subscription Receipts at the Closing Time (such private placement with OTPP, the "**OTPP Private Placement**" and, collectively with the Investor Private Placement and the CDPQ Private Placement, the "**Cornerstone Private Placements**").

The following are the further terms and conditions of this Agreement:

## 1. Subscription and Fees

Subject to the treatment of Excess Subscription Receipts (as hereinafter defined) as will be contemplated by the Subscription Receipt Agreement, each Subscribed Security will entitle the holder thereof to receive:

- (a) if no Termination Event (as hereinafter defined) occurs, automatically upon the Acquisition Closing (as hereinafter defined), without any action on the part of the holder thereof and without payment of additional consideration (i) one Placement Underlying Share, and (ii) a Dividend Equivalent Payment (as hereinafter defined); or
- (b) if a Termination Event occurs, the Termination Payment (as hereinafter defined).

Subject to the terms and conditions hereof, the Investor hereby irrevocably agrees to purchase from the Corporation all, but not less than all, of the Subscribed Securities at the Closing Time, and the Corporation hereby agrees to issue and sell to the Investor at the Closing Time all, but not less than all, of the Subscribed Securities at a subscription price of \$134.50 per Subscribed Security (the "**Subscription Price**"), representing an aggregate subscription price of \$1,200,000,123.00 (the "**Subscription Amount**").

If no Termination Event occurs and Common Shares are issued to holders of Subscription Receipts pursuant to the terms of the Subscription Receipt Agreement, in consideration for providing the Corporation with certainty regarding financing a portion of the aggregate Acquisition Price, the Corporation hereby agrees to pay to the Investor on the date of the Acquisition Closing (a) a fee equal to \$48,000,004.92 (being \$5.38 per Subscribed Security) and (b) if the Corporation completes a "bought deal" underwritten offering of subscription receipts to finance the Acquisition (a "**Bought Deal**") and the price per subscription receipt in that offering (the "**Bought Deal Price**", which for greater certainty shall be determined without giving effect to any fees payable to the underwriters) is less than the Subscription Price, a fee per Subscribed Security equal to: (x) if the Bought Deal is completed during the period beginning on the date hereof and ending on the date that is two Business Days following the date on which the Corporation releases its annual results for the fiscal year ended December 31, 2020 (the "**Specified Period**"), the difference between (i) the Subscription Price and (ii) the Bought Deal Price; or (y) if the Bought Deal is completed after the Specified Period, \$1.345 ((x) or (y) as applicable being the "**Bought Deal Fee**"), provided that the Bought Deal Fee shall be subject to the approval of the Toronto Stock Exchange and shall not in any event result in the requirement that the Corporation seek approval of its shareholders in order to make payment thereof. If the Toronto Stock Exchange would otherwise impose such a shareholder approval requirement in order to allow the Corporation to pay the Bought Deal Fee, the Bought Deal Fee will be automatically reduced to the extent (but only to the extent) necessary to avoid such a shareholder approval requirement. The foregoing fees shall be due and payable by the Corporation to the Investor on the date of the Acquisition Closing, and shall be payable in

cash by wire transfer of immediately available funds or in such other form as the Investor and the Corporation agree in writing in advance of the date of the Acquisition Closing.

## 2. Definitions

As used in this Agreement, including the paragraphs prior to this definitional section and any amendments hereto, unless the context otherwise requires:

- (a) **“Acquisition”** has the meaning ascribed thereto in the Preamble;
- (b) **“Acquisition Closing”** means, where the Acquisition is implemented by way of a Scheme, the Scheme becoming effective in accordance with its terms, and where the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer becoming or being declared unconditional in all respects;
- (c) **“Acquisition Closing Date”** means the date upon which the Acquisition Closing occurs.
- (d) **“Acquisition Closing Time”** means the time on the Acquisition Closing Date at which the closing of the Acquisition takes place.
- (e) **“Acquisition Price”** has the meaning ascribed thereto in the Preamble;
- (f) **“Agreement”** means this agreement, including the schedule attached hereto, and not any particular Article or Section or other portion except as may be specified, and words such as “hereto”, “herein” and “hereby” refer to this Agreement as the context requires;
- (g) **“Anticorruption Laws”** means all Laws that prohibit bribery, money laundering or corruption;
- (h) **“Applicable Securities Laws”** means, collectively, and, as the context may require, the applicable securities Laws of each of the provinces and territories of Canada, and the respective regulations and rules made under those securities Laws together with all applicable published: fee schedules, prescribed forms, policy statements, instruments, blanket orders and rulings of the Securities Commissions, and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by this Agreement;
- (i) **“Business Day”** means any day that is not a Saturday, a Sunday or a statutory or civic holiday or a day on which banking institutions are not generally authorized or obligated to open for business in Toronto, Ontario;
- (j) **“CDPQ”** has the meaning ascribed thereto in the Preamble;
- (k) **“CDPQ Private Placement”** has the meaning ascribed thereto in the Preamble;
- (l) **“CDPQ Subscription Agreement”** has the meaning ascribed thereto in the Preamble;
- (m) **“CDS”** means CDS Clearing and Depository Services Inc.;
- (n) **“Certain Funds Covenants”** means the covenants of the Corporation contained in Sections 4(b), 4(c), 4(e), and 4(g) and only those covenants;

- (o) **“Certain Funds Period”** means the period commencing on the date of this Agreement and ending on the date when all ordinary shareholders of the Target are paid cash consideration in full pursuant to the Acquisition or, if earlier, the date on which a Termination Event occurs;
- (p) **“Certain Funds Representations and Warranties”** means the representations and warranties of the Corporation contained in Sections 5(a), 5(d), 5(e), 5(q)(i), 5(q)(iii), 5(r), 5(s), 5(t), 5(u), 5(dd), 5(kk) and 5(ll) and only those representations and warranties;
- (q) **“Closing Date”** means the date that is seven calendar days after publication of the Rule 2.7 Announcement or such other date as the Investor and the Corporation may agree;
- (r) **“Closing Time”** means 8:00 a.m. (Toronto time), or such other time on the Closing Date as the Investor and the Corporation may agree;
- (s) **“Common Share Dividend”** means each cash dividend payable on Common Shares declared (and publicly announced) by the board of directors of the Corporation;
- (t) **“Common Share Dividend Record Date”** means the record date for a Common Share Dividend;
- (u) **“Common Shares”** means the common shares in the capital of the Corporation;
- (v) **“Cornerstone Private Placements”** has the meaning ascribed thereto in the Preamble;
- (w) **“Cornerstone Private Placement Subscription Agreements”** has the meaning ascribed thereto in the Preamble;
- (x) **“Cornerstones”** has the meaning ascribed thereto in the Preamble;
- (y) **“Corporation”** has the meaning ascribed thereto in the Preamble;
- (z) **“Corporation’s Auditors”** means Ernst & Young LLP, chartered accountants, Montréal, Québec, auditors of the Corporation;
- (aa) **“Credit Agreements”** means (i) the fifth amended and restated credit agreement dated as of November 26, 2019 among the Corporation, as borrower, OneBeacon U.S. Holdings, Inc., OneBeacon Services, LLC, and OneBeacon U.S. Financial Services, Inc., as US borrowers, Canadian Imperial Bank of Commerce, as administrative agent, the lenders from time to time party thereto, as lenders, and certain other parties thereto, as it may be amended, supplemented, replaced or modified from time to time and (ii) the credit agreement dated as of November 26, 2019 among OneBeacon U.S. Financial Services, Inc., as borrower, the Corporation, as guarantor, Canadian Imperial Bank of Commerce, as administrative agent, and the lenders from time to time party thereto, as lenders, as it may be amended, supplemented, replaced or modified from time to time;
- (bb) **“Deadline”** means December 31, 2021;
- (cc) **“Dividend Equivalent Payment”** means an amount in cash, if any, equal to the Common Share Dividends per Common Share for which the Common Share Dividend Record Date

occurs during the period from the Closing Date to the date prior to the Acquisition Closing Date;

- (dd) **“Earned Interest”** means the interest and other income actually received or credited on the investment of the Escrowed Funds between the Closing Date and the earlier to occur of the Acquisition Closing Date and the Termination Date;
- (ee) **“Escrow Release Condition”** means, where the Acquisition is implemented by way of a Scheme, the Scheme becoming effective in accordance with its terms, and where the Acquisition is implemented by way of a Takeover Offer, the Takeover Offer becoming or being declared unconditional in all respects;
- (ff) **“Escrow Release Notice”** means the notice to be provided to the Subscription Receipt Agent executed by the Corporation, certifying that the Escrow Release Condition has been or is expected to be satisfied and that the Corporation has no reason to believe it will not be satisfied;
- (gg) **“Escrowed Funds”** means, collectively, the Proceeds, Earned Interest thereon and any investments acquired or made from time to time with such funds, as such funds may be reduced upon payment of amounts payable hereunder from the Proceeds or Earned Interest;
- (hh) **“Excess Common Share Approvals”** means any and all consents, waivers, permits, permissions, exemptions, reviews, orders, decisions and/or approvals of, or any registration and/or filing with a Governmental Authority required in connection with the issuance of Excess Common Shares to the Investor;
- (ii) **“Excess Common Shares”** means, in the event the Investor would, upon receipt of any Placement Underlying Shares issued in accordance with the terms of the Subscription Receipt Agreement, together with its affiliates, own or exercise control or direction (or both) over 10% or more of the Common Shares issued and outstanding immediately following closing of the Acquisition, such number of Common Shares that would result in the Investor and its affiliates having ownership of, or control or direction (or both) over, 10% or more of the outstanding Common Shares;
- (jj) **“Excess Subscription Receipts”** means the number of Subscription Receipts held by the Investor that would otherwise entitle the Investor to receive Excess Common Shares;
- (kk) **“Exchange”** means the Toronto Stock Exchange;
- (ll) **“Governmental Authority”** has the meaning ascribed thereto in Section 5(p);
- (mm) **“Indemnified Person”** has the meaning ascribed thereto in Section 9(c);
- (nn) **“Indemnifying Party”** has the meaning ascribed thereto in Section 9(c);
- (oo) **“Insolvent”** means a person that (a) has been determined by a court of competent jurisdiction or regulator to be insolvent, or (b) is unable to meet its obligations, or (c) admits in writing it is unable to pay its debts as they generally become due, or (d) is subject to or is seeking the appointment of an administrator, regulator, conservator, liquidator, receiver, trustee, custodian or other similar official over any portion of its assets or business;

- (pp) **“Intellectual Property”** has the meaning ascribed thereto in Section 5(j)(i);
- (qq) **“Investor”** has the meaning ascribed thereto in the Preamble;
- (rr) **“Investor Affiliate”** means, with respect to the Investor, any entity controlled by, controlling or under common control with the Investor (which, for clarity, will include the Parent Entity and all entities controlled by the Parent Entity), but excluding operating or portfolio companies, investment funds or investee companies;
- (ss) **“Investor Private Placement”** has the meaning ascribed thereto in the Preamble;
- (tt) **“Investor Private Placement Termination Event”** means the earliest to occur of either:  
(a) the Scheme lapsing or being withdrawn with the consent of the Takeover Panel or by order of the High Court of Justice in England and Wales and the Corporation publicly confirming that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Takeover Offer or otherwise; or (b) if the Acquisition is implemented by way of a Takeover Offer, such Takeover Offer lapsing, terminating or being withdrawn (with the consent of the Takeover Panel, where required) and the Corporation publicly confirming that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Scheme or otherwise;
- (uu) **“Investor Rights Agreement”** means the Investor Rights Agreement to be entered into between the Investor and the Corporation in a form satisfactory to the Corporation and the Investor, each acting reasonably;
- (vv) **“Investor Support Agreement”** means the Voting Support Agreement to be entered into between the Investor and the Corporation in a form satisfactory to the Corporation and the Investor, each acting reasonably;
- (ww) **“Knowledge”** means information to the best of the knowledge, after due inquiry, of the following persons: Charles Brindamour, Louis Marcotte, Benoit Morissette, Frédéric Cotnoir, Kevin Lemay and Ken Anderson, and includes any information that they ought reasonably to have known;
- (xx) **“Laws”** means any and all applicable, federal, state, provincial, municipal or local laws in Canada, including all statutes, ordinances, decrees, regulations, by-laws, orders in council, Governmental Authority judgments, orders, decisions, decrees, directives, policies, guidelines, rulings, awards and general principles of common and civil law and equity;
- (yy) **“Material Adverse Effect”** means an effect that, individually or in the aggregate, is, or could reasonably be expected to be, material and adverse to the Corporation and its Subsidiaries considered as a whole or to the business, affairs, capital, operations, prospects, or financial condition, assets or liabilities (contingent or otherwise) of the Corporation and its Subsidiaries taken as a whole;
- (zz) **“NI 44-101”** means National Instrument 44-101 – *Short Form Prospectus Distributions*;
- (aaa) **“NI 45-106”** has the meaning ascribed thereto in Section 7(j);
- (bbb) **“NI 51-102”** means National Instrument 51-102 – *Continuous Disclosure Obligations*;

- (ccc) “**OSC**” means the Ontario Securities Commission;
- (ddd) “**OTPP**” has the meaning ascribed thereto in the Preamble;
- (eee) “**OTPP Private Placement**” has the meaning ascribed thereto in the Preamble;
- (fff) “**OTPP Subscription Agreement**” has the meaning ascribed thereto in the Preamble;
- (ggg) “**Parent Entity**” means Canada Pension Plan Investment Board;
- (hhh) “**Placement Underlying Shares**” means the Common Shares issuable to holders of the Subscribed Securities in accordance with the Subscription Receipt Agreement;
- (iii) “**Proceeds**” means an amount equal to the Subscription Price multiplied by the total number of Subscription Receipts issued pursuant to the Cornerstone Private Placement Subscription Agreements, such amount being \$3,200,000,328.00 in aggregate;
- (jjj) “**Public Record**” means the public information which has been filed by the Corporation with any Securities Commission on the System for Electronic Document Analysis and Retrieval, other than public information or disclosures that have been modified or superseded by subsequent such public information or disclosures by the Corporation, to the extent so modified or superseded;
- (kkk) “**Rule 2.7 Announcement**” has the meaning ascribed thereto in the Preamble;
- (lll) “**Sanctions**” has the meaning ascribed thereto in Section 5(pp);
- (mmm) “**Sanctioned Persons**” has the meaning ascribed thereto in Section 5(pp);
- (nnn) “**Sanctioned Person**” has the meaning ascribed thereto in Section 5(pp);
- (ooo) “**Sanctioned Countries**” has the meaning ascribed thereto in Section 5(pp);
- (ppp) “**Sanctioned Country**” has the meaning ascribed thereto in Section 5(pp);
- (qqq) “**Scheme**” has the meaning ascribed thereto in the Preamble;
- (rrr) “**Securities Commissions**” means the securities commissions or similar regulatory authorities in each of the provinces and territories of Canada;
- (sss) “**Standard Listing Conditions**” has the meaning ascribed thereto in Section 5(u);
- (ttt) “**Subscribed Securities**” has the meaning ascribed thereto in the Preamble;
- (uuu) “**Subscription Amount**” has the meaning ascribed thereto in Section 1;
- (vvv) “**Subscription Price**” has the meaning ascribed thereto in Section 1;
- (www) “**Subscription Receipt Agent**” means Computershare Trust Company of Canada, as subscription receipt agent under the Subscription Receipt Agreement;

- (xxx) **"Subscription Receipt Agreement"** means the agreement to be dated the Closing Date by and among the Corporation, the Cornerstones and the Subscription Receipt Agent governing the terms and conditions of the Subscription Receipts, in a form to be agreed by the Corporation and the Cornerstones, acting reasonably;
- (yyy) **"Subscription Receipts"** means the subscription receipts to be created, issued and authenticated under the Subscription Receipt Agreement and from time to time outstanding, each Subscription Receipt evidencing the rights to be set out in the Subscription Receipt Agreement;
- (zzz) **"Subsidiary"** means a subsidiary for the purposes of the *Securities Act* (Ontario);
- (aaaa) **"Takeover Code"** has the meaning ascribed thereto in the Preamble;
- (bbbb) **"Takeover Offer"** has the meaning ascribed thereto in the Preamble;
- (cccc) **"Takeover Panel"** means the Panel on Takeovers and Mergers of the United Kingdom;
- (dddd) **"Target"** has the meaning ascribed thereto in the Preamble;
- (eeee) **"Termination Event"** means the earliest to occur of any of:
- (i) an Escrow Release Notice is not delivered on or prior to the Deadline;
  - (ii) the Escrowed Funds are released pursuant to an Escrow Release Notice but subsequently returned to the Subscription Receipt Agent pursuant to the terms of the Subscription Receipt Agreement and no further Escrow Release Notice is delivered on or prior to the Deadline; and
  - (iii) (A) the Scheme lapses or is withdrawn with the consent of the Takeover Panel or by order of the High Court of Justice in England and Wales and the Corporation publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Takeover Offer or otherwise; or (ii) if the Acquisition is implemented by way of a Takeover Offer, such Takeover Offer lapses, terminates or is withdrawn (with the consent of the Takeover Panel, where required) and the Corporation publicly confirms that it does not intend to proceed with the Acquisition or to implement the Acquisition by way of a Scheme or otherwise;
- (ffff) **"Termination Payment"** means, if a Termination Event occurs, a payment by the Corporation to the Investor in the amount of \$134.50 in respect of each of the Investor's Subscription Receipts and the Investor's pro rata portion of the aggregate of any Earned Interest, less applicable withholding taxes;
- (gggg) **"Transaction Documents"** means, collectively, this Agreement, the Subscription Receipt Agreement, the Investor Rights Agreement, the Investor Support Agreement and the Rule 2.7 Announcement;
- (hhhh) **"Transfer"** means any direct or indirect offer, transfer, donation, sale, assignment, conveyance, encumbrance, mortgage, gift, pledge, hypothecation, grant of a security



interest in or other disposal or attempted disposal of all or any portion of a security or of any rights connected thereto or interests therein, with or without consideration;

- (iii) **“Tryg”** has the meaning ascribed thereto in the Preamble;
- (jjjj) **“U.S. Securities Act”** has the meaning attributed to it in Section 7(k); and
- (kkkk) **“U.S. Securities Laws”** means the United States federal securities laws, including the U.S. Securities Act, and applicable state securities laws.

### **3. Interpretation**

- (a) Whenever used in this Agreement, the terms “affiliate”, “distribution”, “misrepresentation”, “material fact” and “material change” shall, except to the extent modified herein or as the context requires, have the meanings given to such terms, and “distribution” shall include a “distribution to the public” as defined, under Applicable Securities Laws and U.S. Securities Laws, as applicable.
- (b) Wherever the words “include”, “including” or “includes” are used in this Agreement, they are not intended to be limiting and they shall be deemed to be followed by the words “without limitation”.
- (c) Any reference in this Agreement to gender includes all genders (including neuter) and words denoting the singular number only shall include the plural and vice versa.
- (d) All references to monetary amounts in this Agreement are to the lawful money of Canada unless otherwise indicated.
- (e) Any reference to “disclosed in writing to the Investor” includes (i) any materials made available to the Investor by the Corporation, its affiliates or representatives; and (ii) the Public Record.
- (f) The Preamble and the Schedule hereto form an integral part of this Agreement.

### **4. Covenants of the Corporation**

The Corporation covenants and agrees:

- (a) to comply with all covenants of the Corporation set forth in the Transaction Documents in all material respects and to duly, punctually and faithfully perform all the obligations to be performed by it under the Transaction Documents;
- (b) as soon as reasonably possible, and in any event by the Closing Date, to take any and all commercially reasonable steps to enable the Subscribed Securities to be offered for sale and sold on a private placement basis to the Investor by way of the “accredited investor” exemption under Applicable Securities Laws applicable in Ontario as contemplated hereby;
- (c) to use the proceeds from the issuance and sale of the Subscribed Securities to fund a portion of the aggregate Acquisition Price;

- (d) prior to the Closing Time, to provide prompt notice to the Investor of the lapsing or (with the consent of the Takeover Panel) withdrawal of the Acquisition;
- (e) to use its commercially reasonable efforts to obtain, prior to the Closing Time, all necessary approvals of the Exchange for the issuance of the Subscribed Securities and for the issuance and listing of the Placement Underlying Shares, subject only to the Standard Listing Conditions, and that it will comply with all requirements of the Exchange in connection therewith, including filing of all necessary documentation in accordance with the requirements of the Exchange;
- (f) to use its commercially reasonable efforts to expeditiously pursue the satisfaction of all conditions to the completion of the Acquisition (including, for greater certainty, the Escrow Release Conditions) in its control;
- (g) to cause the issuance of the Placement Underlying Shares to holders of the Subscribed Securities if and when such issuance is to occur in accordance with and subject to the terms of the Subscription Receipt Agreement;
- (h) not to, without the prior approval of holders of at least 50% of the Cornerstone Private Placement Subscription Receipts, (i) materially amend any of the terms and conditions of the Acquisition as set out in the Rule 2.7 Announcement or (ii) waive any material provision thereof, in whole or in part, where such amendment or waiver would be materially adverse to the interest of the holders of the Cornerstone Private Placement Subscription Receipts, provided that any amendment or waiver (including the treatment of a condition as having been satisfied) that is (A) required pursuant to the Takeover Code or by a court of competent jurisdiction or the Takeover Panel (including any refusal by the Takeover Panel to allow the invocation of a condition) or (B) in the event the Acquisition is implemented by way of a Takeover Offer, reducing the acceptance condition to not less than 75% of the then issued ordinary share capital of the Target shall not be regarded as being materiality adverse to the interest of the holders of the Cornerstone Private Placement Subscription Receipts;
- (i) not to, without the prior written consent of the Investor, amend any of the terms and conditions of the Subscription Receipt Agreement, including with regards to the Escrow Release Condition;
- (j) to comply with, and to procure that its Subsidiaries comply with, the rules and principles of the Takeover Code and/or any rulings of the Takeover Panel in respect of the Acquisition; and
- (k) to deliver to the Investor, promptly following receipt thereof, copies of each notice or statement delivered to the Corporation under the Subscription Receipt Agreement, including, without limitation, all statements of account in respect of the Escrow Account.

## **5. Representations and Warranties of the Corporation**

The Corporation represents and warrants to the Investor, and acknowledges that the Investor is relying upon such representations and warranties in entering into this Agreement, that:

- (a) the Corporation has been duly incorporated or otherwise formed and organized and is validly existing under the laws of its jurisdiction of incorporation, amalgamation, continuance or formation, as the case may be, with corporate or partnership power, capacity and authority to own, lease and operate its properties and assets and carry on its businesses as currently owned and carried on;
- (b) each of the Corporation's Subsidiaries has been duly incorporated or otherwise formed and organized and is validly existing under the laws of its jurisdiction of incorporation, amalgamation, continuance or formation, as the case may be, with corporate or partnership power, capacity and authority to own, lease and operate its properties and assets and carry on its businesses as currently owned and carried on;
- (c) each of the Corporation and its Subsidiaries is duly registered, licensed or qualified to carry on business in each jurisdiction in which the nature or conduct of the business now being carried on or the property owned or leased by it makes such registration, licensing or qualification necessary except such as would not, individually or in the aggregate, be reasonably likely to have, a Material Adverse Effect;
- (d) the authorized capital of the Corporation consists of an unlimited number of Common Shares of which 143,018,134 Common Shares were issued and outstanding as at the close of business on November 10, 2020 and an unlimited number of Class A Shares (issuable in series, the rights and preferences of which may be established from time to time by the board of directors of the Corporation) of which 10,000,000 Non-cumulative Rate Reset Class A Shares, Series 1, 8,405,004 Non-cumulative Rate Reset Class A Shares, Series 3, 1,594,996 Non-cumulative Floating Rate Class A Shares, Series 4, 6,000,000 Non-cumulative Class A Shares, Series 5, 6,000,000 Non-cumulative Class A Shares, Series 6, 10,000,000 Non-cumulative Rate Reset Class A Shares, Series 7 and 6,000,000 Non-cumulative Class A Shares, Series 9 were issued and outstanding as at the close of business on November 10, 2020. The Corporation has no Common Shares reserved for issuance except as disclosed in writing to the Investor or in connection with the Corporation's dividend reinvestment plan. All of the outstanding shares of the Corporation are validly issued, fully paid and non-assessable. Except as disclosed in writing to the Investor, as provided for under the Subscription Receipt Agreement or under a Cornerstone Private Placement Subscription Agreement, and other than in connection with internal reorganization transactions that have not resulted and will not result in a change in ultimate beneficial ownership of any securities of the Corporation, and except for (i) the Non-cumulative Floating Rate Class A Shares, Series 2 issuable by the Corporation on conversion from time to time of the Non-cumulative Rate Reset Class A Shares, Series 1, (ii) the Non-cumulative Rate Reset Class A Shares, Series 1 issuable by the Corporation on conversion from time to time of the Non-cumulative Floating Rate Class A Shares, Series 2, (iii) the Non-cumulative Floating Rate Class A Shares, Series 4 issuable by the Corporation on conversion from time to time of the Non-cumulative Rate Reset Class A Shares, Series 3, (iv) the Non-cumulative Rate Reset Class A Shares, Series 3 issuable by the Corporation on conversion from time to time of the Non-cumulative Floating Rate Class A Shares, Series 4, (v) the Non-cumulative Floating Rate Class A Shares Series 8 issuable by the Corporation on conversion from time to time of the Noncumulative Rate Reset Class A Shares Series 7, (vi) the Non-cumulative Rate Reset Class A Shares Series 7 issuable by the Corporation on conversion from time to time of the Non-cumulative Floating Rate Class A Shares Series 8, and (vii) any steps

taken pursuant to the Scandinavia Separation (as defined in the Rule 2.7 Announcement), there are, and there will be at the Closing Date:

- (i) no options, warrants, conversion privileges, stock appreciation rights, phantom equity or similar rights, agreements, arrangements or commitments based upon the book value, income or any other attribute of the Corporation or any material Subsidiary of the Corporation or other rights, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) obligating the Corporation or any such Subsidiary to issue or sell any securities of the Corporation or any such Subsidiary or securities or obligations of any kind convertible into or exchangeable for any securities of the Corporation or any such Subsidiary;
  - (ii) no bonds, debentures or other evidences of indebtedness of the Corporation or any material Subsidiary of the Corporation having the right to vote (or that are convertible for or exercisable into securities having the right to vote) on any matter;
  - (iii) no contractual obligations of the Corporation or any material Subsidiary of the Corporation to repurchase, redeem or otherwise acquire any outstanding securities or indebtedness of the Corporation or any such Subsidiary;
  - (iv) no contractual obligations of the Corporation or any material Subsidiary of the Corporation with respect to the voting or disposition of any outstanding securities of the Corporation or any such Subsidiary; and
  - (v) the vesting provisions contained in any of the Corporation's outstanding securities will not be accelerated or otherwise amended as a result of the completion of the transactions contemplated in the Transaction Documents;
- (e) the Corporation is a "reporting issuer" or has equivalent status under Applicable Securities Laws in all the provinces and territories of Canada;
  - (f) the Corporation is not on the list of defaulting issuers maintained by the applicable Securities Commissions and is not in default of any requirement under the Applicable Securities Laws or U.S. Securities Laws;
  - (g) except as disclosed in writing to the Investor, the businesses of the Corporation and its Subsidiaries have not been, and are not being, and will not be, immediately following the Acquisition Closing, conducted in violation of any laws, except for violations and possible violations that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect or prevent or materially impair the ability of the Corporation to complete the transactions contemplated in the Transaction Documents;
  - (h) the Corporation and its Subsidiaries have all permits, licenses, franchises, variances, exemptions, orders and other governmental authorizations, consents and approvals necessary to conduct their business as presently conducted, except those the absence of

which would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect or prevent or materially impair the ability of the Corporation to complete the transactions contemplated in the Transaction Documents;

- (i) except as disclosed in writing to the Investor, the Corporation and its Subsidiaries have, good and marketable title to the property and assets owned by them and hold a valid leasehold interest in all property leased by them, in each case, free and clear of all mortgages, charges and other encumbrances, except for those that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect or prevent or materially delay or impair the ability of the Corporation to consummate the transactions contemplated in this Agreement;
- (j) except as disclosed in writing to the Investor:
  - (i) the Corporation and its Subsidiaries own or possess, or can acquire on reasonable terms, adequate patents, patent rights, licenses, inventions, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), trademarks, service marks, trade names or other intellectual property (collectively, "**Intellectual Property**") necessary to carry on the business now operated by them; and
  - (ii) none of the Corporation or any of its Subsidiaries has received any notice nor is it otherwise aware of any infringement of or conflict with asserted rights of others with respect to any Intellectual Property or of any facts or circumstances which would render any Intellectual Property invalid or inadequate to protect its interest therein, except such notice, infringement, conflict, facts or circumstances as would not be reasonably likely to have a Material Adverse Effect;
- (k) the Corporation and each of its Subsidiaries is not in violation of its constating documents; the Corporation and each of its Subsidiaries is not in default in the performance or observance of any obligation, agreement, covenant or condition contained in any contract, indenture, mortgage, deed of trust, loan agreement, evidence of indebtedness, note, lease or other agreement, understanding or instrument to which it is a party or by which it may be bound or to which any of its property or assets is subject, other than defaults that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect;
- (l) the execution, delivery and performance of the Transaction Documents, and the consummation of the transactions contemplated hereunder and thereunder:
  - (i) do not and will not, whether with or without the giving of notice or passage of time or both, conflict with or constitute a breach of, or default under, or result in the creation or imposition of any lien, charge or encumbrance upon any property or assets of the Corporation or any of its Subsidiaries pursuant to any contract, indenture, mortgage, loan agreement, note, lease or other instrument to which the Corporation or any of its Subsidiaries is a party or by which the Corporation or any of its Subsidiaries is bound or to which any of the property or assets of the Corporation or any of its Subsidiaries is subject (other than conflicts,

- breaches, defaults, liens, charges and encumbrances that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect);
- (ii) do not and will not result in any violation of the provisions of: (i) the constating documents of the Corporation or any of its Subsidiaries or (ii) any applicable laws other than violations of such laws that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect;
  - (iii) do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach or default under, and do not and will not conflict with any licence, permit, approval, consent, certificate, registration or authorization (whether governmental, regulatory or otherwise) issued to the Corporation or any Subsidiary of the Corporation or any agreement, indenture, lease, document or instrument to which the Corporation or any Subsidiary of the Corporation is a party or by which it is contractually bound at the Closing Time, except for breaches or violations which would not individually or in the aggregate be reasonably likely to have a Material Adverse Effect; or
  - (iv) do not and will not result in a breach of or default under, and do not and will not create a state of facts which, after notice or lapse of time or both, will result in a breach or default under, and do not and will not conflict with any statute, regulation or rule applicable to the Corporation or any Subsidiary of the Corporation, or any judgment, order or decree of any governmental body, agency or court having jurisdiction over the Corporation or any Subsidiary of the Corporation, except for breaches or violations which would not individually or in the aggregate be reasonably likely to have a Material Adverse Effect;
- (m) the Corporation has no Knowledge of any legislation, regulation, by-law or other lawful requirement currently in force or proposed to be brought into force by any Governmental Authority with which the Corporation or its Subsidiaries will be unable to comply and/or which could reasonably be expected to have a Material Adverse Effect; no written notice has been received by the Corporation or any Subsidiary of the Corporation of any pending or threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, non-compliances or violations, investigations or proceeding relating to the actual or alleged breach of any licences, permits, legislation, regulations, by-laws or other requirements to which the Corporation, any Subsidiary of the Corporation or, to the Knowledge of the Corporation, the Target is or will be subject which could reasonably be expected to have a Material Adverse Effect;
- (n) to the Knowledge of the Corporation, as applicable, (i) upon and assuming completion of the Scheme in accordance with its terms as will be set forth in the Rule 2.7 Announcement, all the outstanding ordinary shares of the Target will be beneficially owned, directly or indirectly, by the Corporation or (ii) upon and assuming completion of the Takeover Offer (if the Corporation elects to implement the Acquisition by way of a Takeover Offer as set

forth in the Rule 2.7 Announcement), more than 50% of the outstanding ordinary shares of the Target will be beneficially owned, directly or indirectly, by the Corporation;

- (o) the Corporation is not currently considering any material write-offs or write-downs with respect to any of the Target's investment portfolio assets following completion of the Acquisition;
- (p) there is (i) other than as disclosed in writing to the Investor, no litigation or governmental or other proceeding or investigation at law or in equity before any court or before or by any federal, provincial, state, municipal, local or other governmental or public department, commission, board, bureau, agency, instrumentality or body, domestic or foreign, any subdivision or authority of any of the foregoing or any quasi-governmental, self-regulatory organization or private body exercising any regulatory, expropriation or taxing authority under or for the account of its members or any of the above (collectively, "**Governmental Authority**"), pending or, to the Knowledge of the Corporation, threatened (and the Corporation does not know of any reasonable basis therefor) against, or involving the assets, properties or business of, the Corporation or its Subsidiaries; and (ii) no matter under discussion with any Governmental Authority relating to taxes, governmental charges or assessments asserted by any such authority in respect of the Corporation or any Subsidiary of the Corporation which, if determined adversely could reasonably be expected to have a Material Adverse Effect or prevent or materially delay or impair the ability of the Corporation to consummate the transactions contemplated in the Transaction Documents or the performance by the Corporation of its obligations hereunder or thereunder or under the terms of the Subscribed Securities or which questions the validity of the issuance of the Subscribed Securities or of any action taken or to be taken by the Corporation pursuant to the Transaction Documents or in connection with the issuance of the Subscribed Securities;
- (q) the Corporation, has all requisite power and authority in compliance with the terms and provisions of its constating documents to:
  - (i) enter into this Agreement;
  - (ii) enter into each of the other Transaction Documents (if applicable);
  - (iii) issue and deliver the Subscribed Securities in accordance with the provisions of this Agreement and the Placement Underlying Shares in accordance with the provisions of the Subscription Receipt Agreement; and
  - (iv) carry out all the terms and provisions of the Transaction Documents;
- (r) at the Closing Time, this Agreement will be duly authorized, executed and delivered by the Corporation, and will constitute a legal, valid and binding obligation of the Corporation, enforceable against it in accordance with its terms, except where enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity where equitable remedies are sought and except as rights to indemnity and contribution may be limited by applicable laws;

- (s) at the Closing Time, the Subscription Receipt Agreement will be duly authorized, executed and delivered by the Corporation, and will constitute a legal, valid and binding obligation of the Corporation, enforceable against it in accordance with its terms, except where enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar Laws affecting creditors' rights generally and by general principles of equity where equitable remedies are sought and except as rights to indemnity and contribution may be limited by applicable Laws;
- (t) at the Closing Time, the Placement Underlying Shares will be duly and validly authorized for issuance in accordance with this Agreement and the Subscription Receipt Agreement;
- (u) prior to the Closing Time, the Exchange will have conditionally approved for listing the Placement Underlying Shares on the Exchange, subject only to satisfaction by the Corporation of the conditions imposed by the Exchange in the letter of the Exchange granting conditional listing approval for such securities (the "**Standard Listing Conditions**");
- (v) the certificates to be issued at the Closing Time representing the Subscribed Securities will comply with all legal requirements;
- (w) the audited consolidated financial statements of the Corporation, together with the auditors' report thereon and the notes thereto, as at and for the year ended December 31, 2019 and the unaudited interim consolidated financial statements of the Corporation, together with the notes thereto, as at and for the nine months ended September 30, 2020 have been prepared in accordance with Canadian generally accepted accounting principles applied on a basis consistent with prior periods (except as disclosed in such financial statements) and Applicable Securities Laws and present fairly in all material respects the consolidated financial position, as the case may be, of the Corporation, as at their respective dates;
- (x) to the Knowledge of the Corporation, the audited consolidated financial statements of the Target, together with the auditors' report thereon and the notes thereto, as at and for the year ended December 31, 2019 have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and the unaudited interim consolidated financial statements of the Target, together with the notes thereto, as at and for the six months ended June 30, 2020 have been prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' (IAS 34), as adopted by the European Union;
- (y) the Corporation and each of its Subsidiaries maintain systems of internal account controls sufficient to provide reasonable assurances that:
  - (i) transactions are executed in accordance with management's general or specific authorization;
  - (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with Canadian generally accepted accounting principles and to maintain accountability for assets;



- (iii) access to assets is permitted only in accordance with management's general or specific authorization;
  - (iv) the recorded accountability for assets is compared with existing assets at reasonable intervals and appropriate action is taken with respect to any differences;
  - (v) material information relating to the Corporation and its Subsidiaries is made known to those within the Corporation responsible for the preparation of the financial statements during the period in which the financial statements have been prepared and that such material information is disclosed to the public within the time periods required by applicable laws; and
  - (vi) all significant deficiencies and material weaknesses in the design or operation of such internal controls that could adversely affect the Corporation's ability to disclose to the public information required to be disclosed by it in accordance with applicable law and all fraud, whether or not material, that involves management or employees that have a significant role in the Corporation's internal controls have been disclosed to the audit committee of the Corporation's board of directors;
- (z) the Corporation's Auditors are independent with respect to the Corporation as required by Applicable Securities Laws;
- (aa) there has not been any reportable event (within the meaning of NI 51-102) with the Corporation's Auditors;
- (bb) the Corporation is not aware of any facts or circumstances that would cause it to believe that the Acquisition will not be completed on or before the Deadline;
- (cc) the Corporation and each of its Subsidiaries has filed all necessary federal, state, provincial, local and foreign income, payroll, franchise and other tax returns and has paid all taxes shown as due thereon or with respect to any of its properties or any transactions to which it was a party, except those that it is disputing in good faith, and established adequate reserves for such taxes which are not due and payable and, except as disclosed in writing to the Investor, there is no tax deficiency that has been, or to the Knowledge of the Corporation is proposed to be, asserted against the Corporation or any of its Subsidiaries;
- (dd) the Subscribed Securities and the Placement Underlying Shares, when issued, delivered and paid for in full, will be validly issued as fully paid securities of the Corporation;
- (ee) other than in respect of the Acquisition, the Corporation has not completed any "significant acquisition" (as such term is defined in NI 51-102) since December 31, 2019 and the Corporation is not proposing any "proposed acquisition" (as such term is used in Item 10 of Form 44-101F1 to NI 44-101), that in any such case would require the inclusion of any acquisition financial statements or pro forma financial statements in a prospectus of the Corporation;

- (ff) except as disclosed in writing to the Investor, there are no obligations or liabilities of the Corporation or its Subsidiaries whether or not accrued, contingent or otherwise and whether or not required to be disclosed, except for those that would not, individually or in the aggregate, be reasonably likely to have a Material Adverse Effect or prevent or materially delay or impair the ability of the Corporation to consummate the transactions contemplated in this Agreement;
- (gg) except as disclosed in writing to the Investor, there are no claims, actions or proceedings or investigations pending or, to the Knowledge of the Corporation, threatened against the Corporation or any Subsidiary of the Corporation or any of their respective directors or officers before any Governmental Authority which might have a Material Adverse Effect or prevent or materially delay or impair the ability of the Corporation to consummate the transactions contemplated in the Transaction Documents;
- (hh) other than as may be required under the Applicable Securities Laws, U.S. Securities Laws and the rules and by-laws of the Exchange, and, in respect of any Excess Common Shares, the Excess Common Share Approvals, no consent, approval, authorization, order, registration or qualification of or with any Governmental Authority is required for the creation, issue or sale of the Subscribed Securities or the Placement Underlying Shares as contemplated by this Agreement;
- (ii) at the Closing Date, the Corporation will not be the subject of a cease trading order made by any Securities Commission or other competent Governmental Authority which has not been rescinded and the Corporation is not aware of any investigation, order, inquiry or proceeding which has been commenced or which is pending, contemplated, threatened by any such Governmental Authority;
- (jj) the Corporation has not filed any confidential material change report with any of the Securities Commissions, the Exchange or any other self-regulatory authority which remains confidential;
- (kk) all of the issued securities of each Subsidiary of the Corporation are validly authorized, issued and outstanding and, in respect of each such Subsidiary that is a corporation, are fully paid and non-assessable and, except for non-material Subsidiaries, are owned directly or indirectly by the Corporation, free and clear of all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever;
- (ll) the outstanding Common Shares are listed and posted for trading on the Exchange;
- (mm) the Corporation has implemented and maintains in effect policies and procedures reasonably designed to promote material compliance by the Corporation and its Subsidiaries and its and their respective directors, officers, employees and agents with Anticorruption Laws, and the Corporation and its Subsidiaries and its and their respective directors and officers and, to the Knowledge of the Corporation, its and their respective employees and agents are in compliance with Anticorruption Laws in all material respects;
- (nn) there is no legal or governmental action, proceeding or investigation pending or, to the Knowledge of the Corporation, threatened, which would question the validity of the creation, issuance or sale of the Subscribed Securities or the Placement Underlying

Shares or the validity of any action taken or to be taken by the Corporation in connection with this Agreement;

- (oo) Computershare Investor Services Inc. has been duly appointed as the registrar and transfer agent of the Corporation with respect to the Common Shares and, on or prior to the Closing Time Computershare Trust Company of Canada will have been duly appointed as the registrar and transfer agent of the Corporation with respect to the Subscribed Securities and the subscription receipt agent under the Subscription Receipt Agreement;
- (pp) neither the Corporation nor any of its Subsidiaries nor, to the knowledge of the Corporation, any director, officer, agent, employee or affiliate of the Corporation or any of its Subsidiaries (i) is, or is controlled or 50% or more owned in the aggregate by or is acting on behalf of, one or more individuals or entities that are currently the subject of any sanctions administered or enforced by the United States (including any administered or enforced by the Office of Foreign Assets Control of the U.S. Department of the Treasury, the U.S. Department of State or the Bureau of Industry and Security of the U.S. Department of Commerce), the United Nations Security Council, the European Union, a member state of the European Union (including sanctions administered or enforced by Her Majesty's Treasury of the United Kingdom) or other relevant sanctions authority (collectively, "**Sanctions**" and such persons, "**Sanctioned Persons**" and each such person, a "**Sanctioned Person**"), (ii) is located, organized or resident in a country or territory that is, or whose government is, the subject of Sanctions that broadly prohibit dealings with that country or territory (collectively, "**Sanctioned Countries**" and each, a "**Sanctioned Country**") or (iii) will, directly or indirectly, use the proceeds of this offering, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other individual or entity in any manner that would result in a violation of any Sanctions by, or could result in the imposition of Sanctions against, any individual or entity (including any individual or entity participating in the offering, whether as underwriter, advisor, investor or otherwise). Neither the Corporation nor any of its Subsidiaries has engaged in any dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country, in the preceding three years, nor does the Corporation or any of its Subsidiaries have any plans to engage in dealings or transactions with or for the benefit of a Sanctioned Person, or with or in a Sanctioned Country;
- (qq) the Corporation has taken legal advice as to the implications of the Takeover Code as it applies to the Acquisition, and in particular, the scope of Rule 9 of the Takeover Code; and
- (rr) the documents forming the Public Record contained no misrepresentations at the time they were filed.

## 6. Covenants of the Investor

The Investor covenants and agrees to take commercially reasonable steps to, as soon as reasonably practicable, and in any event prior to the Acquisition Closing, provide all such information about itself, other members of its group and their respective directors as is reasonably required by any applicable regulatory authority for inclusion in the Corporation's filings, notifications or submissions to any applicable regulatory authority for the purposes of obtaining any approvals or clearances that are required in connection with the Acquisition; *provided*,

however, that with respect to such provided information that is confidential, commercially sensitive or personal information, such information shall (save with the Investor's prior consent) be furnished on an "outside counsel only" basis, or provided by the Investor directly to the relevant regulator;

## **7. Representations and Warranties of the Investor**

The Investor represents and warrants to the Corporation, and acknowledges that the Corporation is relying upon such representations and warranties, as follows:

- (a) it has all requisite power and capacity to execute and deliver this Agreement, the Investor Rights Agreement and the Investor Support Agreement, to perform its obligations hereunder and thereunder and to purchase the Subscribed Securities;
- (b) it has taken all necessary action to authorize the execution and delivery of, and the performance of its obligations under, this Agreement, the Investor Rights Agreement and the Investor Support Agreement and this Agreement has been duly executed and delivered by the Investor and the Investor Rights Agreement and the Investor Support Agreement will have been duly executed and delivered by the Investor at the Closing Time;
- (c) this Agreement constitutes a legal, valid and binding agreement enforceable against it in accordance with its terms, except where enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity where equitable remedies are sought and except as rights to indemnity and contribution may be limited by applicable Law;
- (d) at the Closing Time, the Investor Rights Agreement and the Investor Support Agreement will constitute a legal, valid and binding agreement enforceable against it in accordance with its terms, except where enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights generally and by general principles of equity where equitable remedies are sought and except as rights to indemnity and contribution may be limited by applicable Law;
- (e) the Investor is resident in the province of Ontario;
- (f) it is a wholly-owned Subsidiary of the Parent Entity;
- (g) as of the date hereof, the number of Common Shares issuable pursuant to its Subscribed Securities will not cause it, together with its Investor Affiliates, to have beneficial ownership of, or control or direction over (or both), 10% or more of the Common Shares issued and outstanding immediately following the Acquisition Closing;
- (h) the execution and delivery of and performance by it of this Agreement, the Investor Rights Agreement and the Investor Support Agreement do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event of condition) result in a breach or violation of or a conflict with, or allow any other person to exercise any rights under any of the terms or provisions of its constating documents or by-laws, if applicable, or any other material contract, agreement, instrument, undertaking or covenant to which it is a party or by which it is bound;

- (i) it undertakes and agrees that it will not offer or sell the Subscribed Securities or the Placement Underlying Shares in the United States unless such securities are registered under the U.S. Securities Act and the applicable U.S. Securities Laws or an exemption from such registration requirements is available;
- (j) the Investor represents that it is purchasing the Subscribed Securities and Placement Underlying Shares as principal for its own account and not for the benefit of any other person, and is an “accredited investor” as such term is defined in National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”) and not formed for the purpose of relying upon the accredited investor prospectus exemption; and
- (k) it is not a U.S. Person (as defined in Regulation S under the United States Securities Act of 1933, as amended (“**U.S. Securities Act**”), which definition includes, but is not limited to, an individual resident in the United States, an estate or trust of which any executor or administrator or trustee, respectively, is a U.S. Person and any partnership or corporation organized or incorporated under the laws of the United States) and is not purchasing the Subscribed Securities or the Placement Underlying Shares on behalf of, or for the account or benefit of, or for resale to, a person in the United States or a U.S. Person.

## **8. Acknowledgements of the Investor**

The Investor acknowledges for the benefit of the Corporation that:

- (a) the Acquisition is expected to be implemented in accordance with the Takeover Code and, in compliance with Rule 2.7(d) of the Takeover Code and having regard, among other things, to the Investor's commitment pursuant to this Agreement, and Barclays Bank plc as the Corporation's financial adviser has consented to the inclusion of a statement in the Rule 2.7 Announcement to the effect that it is satisfied that the Corporation has resources available to it sufficient to satisfy the maximum amount of consideration payable to ordinary shareholders of the Target should the Acquisition be completed;
- (b) neither the Subscribed Securities nor the Placement Underlying Shares have been qualified for distribution in any jurisdiction of Canada by the filing of a prospectus with any Securities Commission or other securities regulatory authority;
- (c) the Subscribed Securities are being offered hereunder in reliance upon the “accredited investor” exemption contained in subsection 2.3 of NI 45-106 or Section 73.3 of the *Securities Act* (Ontario), as applicable and the Subscribed Securities and, if applicable, the Placement Underlying Shares will bear the appropriate legend contemplated by National Instrument 45-102 – *Resale of Securities*;
- (d) the Subscribed Securities and, if applicable, the Placement Underlying Shares will be subject to restrictions on resale until such time that:
  - (i) the statutory hold period has expired;
  - (ii) a further statutory exemption permitting the resale of the Subscribed Securities or Placement Underlying Shares, as applicable, without a prospectus may be relied upon by the Investor; or

- (iii) an appropriate discretionary order is obtained pursuant to Applicable Securities Laws;
- (e) neither the Subscribed Securities nor the Placement Underlying Shares have been and such securities will not be registered under the U.S. Securities Act or the U.S. Securities Laws and these securities may not be offered or sold, directly or indirectly, in the United States without registration under the U.S. Securities Act or compliance with requirements of an exemption from registration and the applicable U.S. Securities Laws and acknowledges that the Corporation has no present intention of filing a registration statement under the U.S. Securities Act in respect of the Subscribed Securities or the Placement Underlying Shares;
- (f) the Subscribed Securities have not been offered to the Investor in the United States, and the individuals executing and delivering this Agreement on behalf of the Investor were not in the United States when this Agreement was executed and delivered;
- (g) the certificates or book-entry registration evidencing the Subscription Receipts and the Placement Underlying Shares (if issued before expiry of the statutory hold period) shall bear a legend in the case of a certificated issue, or a notation in the case of an electronic deposit to the following effect:

UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE  
HOLDER OF THE SECURITIES SHALL NOT TRADE THE SECURITIES  
BEFORE [INSERT THE DATE THAT IS FOUR MONTHS AND A DAY  
AFTER THE CLOSING DATE].

provided that in the case of a certificated issue, subsequent to the expiry date of the legends set forth above certificates representing the Subscribed Securities or, if applicable, the Placement Underlying Shares may be exchanged for certificates bearing no such legends and the Corporation hereby covenants and agrees that it will use commercially reasonable efforts to deliver or to cause to be delivered a certificate or certificates representing the Subscribed Securities or the Placement Underlying Shares, if applicable, bearing no such legends within three Business Days after receipt of the legended certificate or certificates;

- (h) it consents to the fact that the Corporation is collecting its personal information (as that term is defined under applicable privacy legislation, including the *Personal Information Protection and Electronic Documents Act* (Canada) and any other applicable similar, replacement or supplemental provincial or federal legislation or Laws in effect from time to time), for the purpose of completing this Agreement; it consents to the Corporation retaining such personal information for as long as permitted or required by law or business practices; it further consents to the fact that the Corporation may be required by Applicable Securities Laws or the rules and policies of any stock exchange to provide regulatory authorities with any personal information provided by it in this Agreement and that such information may also be provided to the Corporation's registrar and transfer agent, and any other parties involved in the offering of the Subscription Receipts, and may be included in the record books; and that the Corporation may use and disclose its personal information as follows:

- (i) for internal use with respect to managing the relationships between and contractual obligations of the Corporation and the Investor;
  - (ii) for use and disclosure for income tax related purposes, including without limitation, where required by law, disclosure to Canada Revenue Agency or Revenue Québec;
  - (iii) disclosure to securities regulatory authorities and other regulatory bodies with jurisdiction with respect to reports of trades and similar regulatory filings;
  - (iv) disclosure to a governmental or other authority to which the disclosure is required by court order or subpoena compelling such disclosure and where there is no reasonable alternative to such disclosure;
  - (v) disclosure to professional advisers of the Corporation to the extent reasonably required to perform their professional services;
  - (vi) disclosure to any person where such disclosure is necessary for legitimate business reasons and is made with the Investor's prior written consent;
  - (vii) disclosure to a court determining the rights of the parties under this Agreement; or
  - (viii) for use and disclosure as otherwise required by law;
- (i) it has been notified by the Corporation (a) of the delivery to the OSC of its full name, address and telephone number, the number and type of securities purchased, the total purchase price, the exemption relied upon and the date of distribution; (b) that this information is being collected indirectly by the OSC under the authority granted to it in applicable securities legislation; (c) that this information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario; and (d) that the Administrative Support Clerk can be contacted at Suite 1903, Box 55, 20 Queen Street West, Toronto, Ontario, M5H 3S8 or at [REDACTED] regarding any questions about the OSC's indirect collection of this information;
- (j) it has not been provided with an offering memorandum (as defined under Applicable Securities Laws) in connection with its subscription for the Subscribed Securities, and the decision to execute this Agreement and to purchase the Subscribed Securities has not been based upon any verbal or written representations as to fact or otherwise made by or on behalf of the Corporation, other than such written representations as are expressly contained herein; and
- (k) it shall not to take any action prior to the earlier of (i) issuance of Common Shares pursuant to the terms of the Subscription Receipts, and (ii) a Termination Event, that would cause the representation in Section 7(g) to be incorrect.

## 9. Indemnity

- (a) The Corporation shall indemnify and save the Investor and each of the Investor's affiliates and their respective agents, directors, officers, shareholders and employees, harmless against and from all liabilities, claims, actions, suits, proceedings, demands, losses (other than losses of profit), costs (including reasonable legal fees and expenses), damages and expenses to which the Investor or any of the Investor's affiliates or their respective agents, directors, officers, shareholders or employees may be subject or which the Investor or any of the Investor's affiliates or their respective agents, directors, officers, shareholders or employees may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of:
- (i) any misrepresentation or alleged misrepresentation contained in the Rule 2.7 Announcement;
  - (ii) any order made or any inquiry, investigation (whether formal or informal) or other proceeding commenced, announced or threatened by any one or more Securities Commissions or Exchange as at the Closing Time (not based on the activities or alleged activities of the Investor) prohibiting, restricting or materially affecting the trading or distribution of the Subscribed Securities or the Placement Underlying Shares;
  - (iii) any breach of, default under or non-compliance (or any alleged breach, default or non-compliance) by the Corporation with any requirements of Applicable Securities Laws, the by-laws, rules or regulations of any stock exchange existing as at the Closing Time or any representation, warranty, covenant, term or condition of this Agreement or in any certificate or other document delivered by or on behalf of the Corporation hereunder or pursuant hereto; or
  - (iv) any breach of, default under or non-compliance (or any alleged breach, default or non-compliance) by the Corporation with any representation, warranty, covenant, term or condition of the Subscription Receipt Agreement or in any certificate or other document delivered by or on behalf of the Corporation thereunder or pursuant thereto.
- (b) The Investor shall indemnify, defend and hold the Corporation harmless against and from all liabilities, claims, actions, suits, proceedings, demands, losses (other than losses of profit), costs (including reasonable legal fees and expenses), damages and expenses to which the Corporation may be subject or which the Corporation may suffer or incur, whether under the provisions of any statute or otherwise, in any way caused by, or arising directly or indirectly from or in consequence of the untruth, inaccuracy or breach of any of the (A) representations and warranties or (B) covenants of the Investor, in each case contained in this Agreement or in any other certificate or document delivered by or on behalf of the Investor hereunder or pursuant hereto.
- (c) If any claim contemplated by Section 9(a) or Section 9(b) shall be asserted against any of the persons or corporations in respect of which indemnification is or might reasonably be considered to be provided for in such paragraphs, such person or corporation (the "**Indemnified Person**") shall notify the person against whom such indemnification is sought (the "**Indemnifying Party**") (provided that failure to so notify the Indemnifying Party



of the nature of such claim in a timely fashion shall relieve the Indemnifying Party of liability hereunder only if and to the extent that such failure materially prejudices the Indemnifying Party's ability to defend such claim) as soon as possible of the nature of such claim and the Indemnifying Party shall be entitled (but not required) to assume the defence of any suit brought to enforce such claim, provided, however, that the defence shall be through legal counsel selected by the Indemnifying Party and acceptable to the Indemnified Person acting reasonably and that no settlement may be made by the Indemnifying Party or the Indemnified Person without the prior written consent of the other, such consent not to be unreasonably withheld. The Indemnified Person shall have the right to retain separate counsel in any proceeding relating to a claim contemplated by Section 9(a) but the fees and expenses of such counsel shall be at the expense of the Indemnified Person, unless:

- (i) the Indemnified Person has been advised by counsel that there may be a reasonable legal defense available to the Indemnified Person which is different from or additional to a defense available to an Indemnifying Party and that representation of the Indemnified Person and the Indemnifying Party by the same counsel would be inappropriate due to the actual or potential differing interests between them (in which case the Indemnifying Party shall not have the right to assume the defense of such proceedings on the Indemnified Person's behalf);
- (ii) the Indemnifying Party shall not have taken the defense of such proceedings and employed counsel within ten (10) days after notice has been given to the Indemnifying Party of commencement of such proceedings or, having employed such counsel, have diligently pursued such defense; or
- (iii) the employment of such counsel has been authorized by the Indemnifying Party in connection with the defense of such proceedings;

and, in any such event, the reasonable fees and expenses of such Indemnified Person's counsel (on a solicitor and his client basis) shall be paid by the Indemnifying Party, provided that the Indemnifying Party shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the fees and expenses of more than one separate law firm (in addition to any local counsel) for the Indemnified Persons of or related to each separate Investor.

- (d) If the Indemnifying Party has assumed the defense of any suit brought to enforce a claim hereunder, the Indemnified Person shall, subject to applicable Laws, provide the Indemnifying Party with copies of all documents and information in its possession pertaining to the claim, take all reasonable actions necessary to preserve its rights to object to or defend against the claim, consult and reasonably cooperate with the Indemnifying Party in determining whether the claim and any legal proceeding resulting therefrom should be resisted, compromised or settled and reasonably cooperate and assist in any negotiations to compromise or settle, or in any defense of, a claim undertaken by the Indemnifying Party.
- (e) If the indemnification provided for in this Section 9 is held by a court of competent jurisdiction to be unavailable to an Indemnified Person with respect to any liabilities, claims, actions, suits, proceedings, demands, losses (other than losses of profit), costs

(including reasonable legal fees and expenses), damages and expenses referred to in this Section 9, then the Indemnifying Party, in lieu of indemnifying such Indemnified Person hereunder, shall contribute to the amount paid or payable by such proportion as is appropriate to reflect the relative fault of the Indemnifying Party, on the one hand, and of the Indemnified Person, on the other, in connection with the statement or omissions that resulted in such liabilities, claims, actions, suits, proceedings, demands, losses, costs, damages or expenses, as well as any other relevant equitable considerations.

- (f) The Corporation hereby acknowledges and agrees that, with respect to this Section 9, the Investor is contracting on its own behalf and as agent for the other Indemnified Persons referred to in this Section 9. In this regard, the Investor shall act as trustee or agent for such Indemnified Persons of the covenants of the Corporation under this Section 9 with respect to such Indemnified Persons and accepts these trusts or agencies and shall hold and enforce those covenants on behalf of such Indemnified Persons.
- (g) This Section 9 shall terminate and shall cease to have force and effect upon the occurrence of an Investor Private Placement Termination Event and the fulfilment by the Corporation of all of its obligations resulting therefrom.

## **10. Expenses**

All costs and expenses (including applicable goods and services tax) incurred by the Corporation in connection with or incidental to the transactions contemplated hereby, including those relating to the distribution of the Subscribed Securities and the Placement Underlying Shares, shall be borne by the Corporation, including the fees and expenses of the Corporation's counsel, the fees and expenses of the Corporation's transfer agent, auditors and other outside consultants and all stock exchange listing fees. All costs and expenses (including applicable goods and services tax) incurred by the Investor in connection with or incidental to the transactions contemplated hereby, including those relating to the subscription of the Subscribed Securities and the Placement Underlying Shares, shall be borne by the Investor, including the fees and expenses of the Investor's counsel and any other outside consultants; provided, however, that if (i) the Investor Private Placement is not completed and the Investor is not in breach of this Agreement or (ii) the Investor Private Placement is completed but the Placement Underlying Shares are not issued to the Investor pursuant to the Subscribed Securities because the Corporation does not complete the Acquisition, then the reasonable and documented costs and expenses relating to the Investor Private Placement and the Acquisition incurred by the Investor shall be borne by the Corporation, up to an aggregate amount of \$500,000.

## **11. Closing Conditions**

- (a) The obligations of the Investor hereunder as to the Subscribed Securities to be purchased at the Closing Time shall be conditional upon the Investor receiving at the Closing Time:
  - (i) favourable legal opinions of the Corporation's counsel (addressed to the Investor and Investor's counsel), in form and substance reasonably satisfactory to the Investor, with respect to the following matters: the existence and corporate power and capacity of the Corporation; the authorized share capital of the Corporation; the creation, authorization and reservation for issuance of the Subscribed Securities; that, upon the Corporation receiving payment of the purchase price

for the Subscribed Securities, the Subscribed Securities will be legal, valid and binding obligations of the Corporation enforceable in accordance with their terms and the terms of the Subscription Receipt Agreement; the Placement Underlying Shares have been duly authorized and reserved for issuance and, when issued in accordance with the terms of the Subscription Receipt Agreement, will be validly issued and outstanding as fully paid and non-assessable Common Shares; that the form of definitive certificates representing the Subscribed Securities comply with the Subscription Receipt Agreement; that the Placement Underlying Shares have been conditionally approved for listing by the Exchange, subject to the fulfillment of the Standard Listing Conditions; the appointment of Computershare Investor Services Inc. as registrar and transfer agent of the Common Shares and Computershare Trust Company of Canada as registrar and transfer agent for the Subscription Receipts and the subscription receipt agent under the Subscription Receipt Agreement; the enforceability of certain of the Transaction Documents (i.e., those that are agreements governed by Ontario law) against the Corporation; that the execution and delivery of this Agreement, the Investor Rights Agreement and the Investor Support Agreement by the Corporation and the performance by the Corporation of its obligations thereunder, will not contravene (A) any provisions of the constating documents of the Corporation, or (B) the provisions of any applicable law of general application applicable in Ontario or Québec, including such federal laws of Canada applicable therein; the reporting issuer status of the Corporation under the Applicable Securities Laws applicable in Ontario; that the Corporation is not indicated as being in default of its obligations as a reporting issuer on any of the lists maintained by the Securities Commissions in such Provinces under Applicable Securities Laws; that the issuance of the Subscribed Securities and the Placement Underlying Shares to the Investor in accordance with the terms of this Agreement or the Subscription Receipt Agreement, as applicable, is or will be, as applicable, exempt from the prospectus requirements under Applicable Securities Laws applicable in Ontario and no other documents are required to be filed, proceedings are required to be taken and no approvals, permits, consents or authorizations are required to be obtained by the Corporation under Applicable Securities Laws to permit such issuances, provided that a report of the issuance and sale of the Subscribed Securities prepared and executed in accordance with the Applicable Securities Laws on Form 45-106F1 established pursuant to NI 45-106 is required to be filed by the Corporation, together with the payment of the requisite filing fees; and as to the first trade in the Subscribed Securities and the Placement Underlying Shares. It is understood that such counsel may rely on the opinions of local counsel acceptable to them, and may rely, to the extent appropriate in the circumstances, as to matters of fact, on certificates of an officer of the Corporation;

- (ii) a certificate of the Corporation dated the Closing Date addressed to the Investor and signed on behalf of the Corporation by the Chief Executive Officer and Chief Financial Officer of the Corporation certifying for and on behalf of the Corporation (without personal liability) that:
  - (i) the Corporation has complied with all Certain Funds Covenants of this Agreement to be complied with by it at or prior to the Closing Time;

- (ii) the Certain Funds Representations and Warranties of the Corporation contained herein are true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing Time after giving effect to the transaction contemplated hereby, except for any Certain Funds Representations and Warranties which are made of a specific date other than the Closing Date;
  - (iii) no order, ruling or determination having the effect of ceasing or suspending trading in the Subscription Receipts or Common Shares has been issued;
  - (iv) the Acquisition has not lapsed or been withdrawn; and
  - (v) the Corporation is not Insolvent;
- (iii) evidence that the Placement Underlying Shares have been accepted for listing, by the Exchange, subject to the Standard Listing Conditions; and
- (iv) a fully executed copy of the Subscription Receipt Agreement.
- (b) The obligations of the Corporation hereunder as to the Subscribed Securities to be issued at the Closing Time shall be conditional upon the Corporation receiving at the Closing Time:
- (i) payment of the aggregate purchase price therefor pursuant to Section 14; and
  - (ii) a copy of the Subscription Receipt Agreement, the Investor Rights Agreement and the Investor Support Agreement executed by the Investor; and
  - (iii) evidence that the Placement Underlying Shares have been accepted for listing by the Exchange, subject to the Standard Listing Conditions.

## **12. Termination**

- (a) At or prior to the Closing Time, this Agreement shall be capable of being terminated by either party if (and only if):
- (i) an Investor Private Placement Termination Event has occurred prior to the Closing Time;
  - (ii) any of the conditions set forth in Section 11 are not or cannot be satisfied at the Closing Time, except that the right to terminate this Agreement under this Section shall not be available to a party whose failure to fulfill any of its covenants or obligations or whose breach of any of its representations or warranties under this Agreement has been the cause of, or resulted in, the failure to satisfy the application condition; or
  - (iii) the Rule 2.7 Announcement, in a form satisfactory to the Investor, acting reasonably, is not published by 5:00 p.m. (London time) on the later of (A) December 3, 2020 and (B) if the deadline for making the Rule 2.7 Announcement is extended pursuant to Rule 2.6(c) of the Takeover Code, December 11, 2020.

- (b) This Agreement shall otherwise be incapable of being terminated by the Investor at or prior to the Closing Time and the Investor hereby waives any right to repudiate, rescind, terminate or otherwise avoid its obligations under this Agreement at or prior to the Closing Time.
- (c) If the Investor terminates its obligations hereunder pursuant to this Section 12, the Corporation's liability hereunder to the Investor shall be limited to the Corporation's obligations under Section 9 and 10.

### **13. Investor Remedies**

- (a) The Investor undertakes that it will not bring any claim against the Corporation pursuant any Transaction Document (including a claim for Indemnification under Section 9) or in respect of any matter envisaged by the Transaction Documents prior to the end of the Certain Funds Period, and hereby waives any right to do so. The foregoing shall not limit or restrict any right of the Investor to bring any such claim (i) after the end of the Certain Funds Period or, if earlier, the time at which this Agreement terminates in accordance with Section 12, or (ii) in the case of fraud or deliberate or wilful breach of the Transaction Documents or illegal acts.
- (b) The Investor shall pay the Subscription Amount in accordance with Section 14 in full and without exercising any right of counterclaim, deduction, set-off or withholding or similar right, all of which the Investor waives.

### **14. Deliveries**

- (a) Provided that no Investor Private Placement Termination Event has occurred, the sale of the Subscribed Securities shall be completed at the Closing Time at the offices of the Corporation's counsel in Toronto, Ontario or at such other place as the Corporation and the Investor may agree. At such time:
  - (i) the Investor shall pay to the Subscription Receipt Agent, by wire transfer or such other means as the Corporation and the Investor may agree, the amount of \$134.50 per Subscribed Security, being an aggregate amount of \$1,200,000,123.00, in consideration for the issuance of the Subscribed Securities against delivery by the Corporation to CDS of one or more fully registered global certificates representing the Subscribed Securities, or electronic evidence of issuance of such, in any case registered in the name of "CDS & Co." as the nominee of CDS, to be held by CDS as a book-based security or a non-certificated security (in the case of an electronic delivery), as the case may be, in accordance with the rules and procedures of CDS;
  - (ii) the Corporation shall deliver the opinions, certificates and documents referred to in Section 11(a); and
  - (iii) the Investor shall deliver the documents referred to in Section 11(b).

### **15. Notices**

- (a) Any notice or other communication to be given hereunder shall, in the case of notice to be given to the Corporation, be addressed to:

Intact Financial Corporation  
700 University Avenue, Suite 1500  
Toronto, Ontario M5G 0A1

Attention: [REDACTED]  
[REDACTED]  
Email: [REDACTED]

with a copy (which shall not constitute notice) to:

Blake, Cassels & Graydon LLP  
199 Bay Street, Suite 4000  
Toronto, Ontario M5L 1A9

Attention: [REDACTED]  
Email: [REDACTED]

and, in the case of notice to be given to the Investor, be addressed to:

CPP Investment Board PMI-2 Inc.  
One Queen Street East, Suite 2500  
Toronto, Ontario M5C 2W5

Attention: [REDACTED]  
Email: [REDACTED]

and with a copy (which shall not constitute notice) to:

Norton Rose Fulbright Canada LLP  
1 Place Ville Marie, Suite 2500  
Montréal, Québec, H3B 1R1

Attention: [REDACTED]  
Email: [REDACTED]  
[REDACTED]

or to such other address as a party may designate by notice given to the others. Each communication shall be personally delivered to the addressee or sent by email transmission to the addressee;

- (b) a communication which is personally delivered shall, if delivered before 4:30 p.m. (local time at the place of delivery) on a Business Day, be deemed to be given and received on that day and, in any other case be deemed to be given and received on the first Business Day following the day on which it is delivered; and
- (c) a communication which is sent by email shall, if sent on a Business Day before 4:30 p.m. (local time at the place of receipt), be deemed to be given and received on that day and, in any other case, be deemed to be given and received on the first Business Day following the day on which it is sent.

**16. Waiver**

The Investor may waive in whole or in part any breach of, default under or non-compliance with any representation, warranty, covenant, term or condition hereunder, or extend the time for compliance therewith, without prejudice to any of its rights in respect of any other representation, warranty, covenant, term or condition hereunder or any other breach of, default under or non-compliance with any other representation, warranty, covenant, term or condition hereunder, provided that any such waiver or extension shall be binding on the Investor only if the same is in writing.

**17. Parties to Discuss Press Releases and Public Disclosure**

The parties shall cooperate with each other in relaying to third parties information concerning this Agreement and the transactions contemplated herein, and shall discuss drafts of all press releases and other releases of information for dissemination to the public pertaining hereto. However, nothing in this Section 17 shall prevent a party from furnishing any information to any governmental agency or regulatory authority or stock exchange or to the public, insofar only as is required by this Agreement or applicable laws or the Takeover Code, provided that a party which proposes to make such a public disclosure shall, to the extent reasonably possible, provide the other party with a draft of such information in sufficient time prior to its release to enable such other party to review such draft and advise that party of any comments it may have with respect thereto. In particular, the Corporation agrees that it shall, subject to the requirements of Applicable Securities Laws and the Takeover Code, obtain consent of the Investor to the disclosure of any information regarding the Investor to be contained in any news release or other document filed with any authorized authority or disclosed to the public. For greater certainty, the Investor consents to (i) the inclusion of its name and the summary of the transactions contemplated by this Agreement contained in the Corporation's press release dated the date hereof titled "Intact Financial Corporation Announces Agreement with Cornerstone Investors to Finance a Portion of the Purchase Price of the Possible Offer for RSA Insurance Group PLC ("RSA")", the Rule 2.7 Announcement and in the subsequent scheme circular (if the Acquisition is implemented by a Scheme) or the offer document (if the Acquisition is implemented by a Takeover Offer), and (ii) the publication of this Agreement on a website pursuant to the Takeover Code.

**18. Survival**

All indemnities, representations, warranties, terms and conditions herein (including, without limitation, those contained in Sections 5 and 9 and 25) or contained in certificates or documents submitted pursuant to or in connection with the transactions contemplated herein shall survive the payment by the Investor for the Subscribed Securities and the termination of this Agreement for a period of two years following the Closing Date and shall continue in full force and effect for the benefit of both parties regardless of any investigation by or on behalf of both parties with respect thereto.

**19. Severability**

If one or more of the provisions contained herein shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Agreement, but this Agreement shall be

construed as if such invalid, illegal or unenforceable provision or provisions had never been contained herein.

**20. Governing Law**

This Agreement shall be governed by and construed in accordance with the Laws of the Province of Ontario and the Laws of Canada applicable therein. Each of the Corporation and the Investor hereby attorn to the non-exclusive jurisdiction of the courts of the Province of Ontario.

**21. Time of the Essence**

Time shall be of the essence of this Agreement.

**22. Counterpart Execution**

This Agreement may be executed in one or more counterparts in original or electronic format each of which so executed shall constitute an original and all of which together shall constitute one and the same agreement. Delivery of counterparts may be effected by facsimile or e-mail transmission.

**23. Further Assurances**

Each party to this Agreement covenants and agrees that, from time to time, it will, at the request of the requesting party, execute and deliver all such documents and do all such other acts and things as any party hereto, acting reasonably, may from time to time request be executed or done in order to better evidence or perfect or effectuate any provision of this Agreement or of any agreement or other document executed pursuant to this Agreement or any of the respective obligations intended to be created hereby or thereby.

**24. Amendment**

This Agreement may only be amended by a written agreement executed by all the parties hereto.

**25. Right to Invest / Most Favoured Nation**

- (a) In the event that on or prior to November 11, 2021 (i) a Cornerstone Private Placement Subscription Agreement is amended such that it contains terms, or (ii) the Corporation and a third party investor enter into a private placement subscription agreement for equity securities to fund a portion of the aggregate acquisition price for the Acquisition, and such subscription agreement contains terms, that, in the opinion of the Investor, acting reasonably, are more favourable to the applicable investor than the terms contained herein, the Corporation hereby agrees and undertakes to execute and deliver an amendment hereto to provide for such more favourable terms to be contained in this Agreement, as then amended.
- (b) If a Termination Event occurs and on or prior to November 11, 2021 the Corporation enters into a private placement subscription agreement with a third party investor that contemplates a subscription by such investor for equity securities with an aggregate subscription price of at least \$100 million, which proceeds are to be used by the



Corporation to partially finance a business acquisition by the Corporation, then the Investor shall be entitled to also provide equity financing to the Corporation in an amount and on terms that are, in the opinion of the Investor, acting reasonably, as favourable to the Investor as those provided to such third party investor under such subscription agreement, subject to obtaining all necessary approvals in connection therewith.

- (c) For greater certainty, the foregoing rights shall not apply to any issuance of securities by way of public offering or pursuant to a prospectus, or any other similar broadly distributed issue of treasury securities on a private placement basis to finance the Acquisition or any other acquisition.
- (d) Notwithstanding the foregoing, the foregoing rights shall not apply to any private placement subscription agreement (including the applicable Cornerstone Private Placement Subscription Agreement) or amendment thereto, with Caisse de dépôt et placement du Québec or a wholly-owned subsidiary thereof.
- (e) Notwithstanding anything in this Section 25, the Investor acknowledges and agrees that any action required by the Corporation by this Section 25 may be subject to the approval of the Toronto Stock Exchange and the Corporation shall not be required to complete any such action if taking such action would result in the requirement that the Corporation seek approval of its shareholders.

## **26. Lock-up**

- (a) The Investor shall not, and shall procure that each Investor Affiliate shall not, without the prior written consent of the Corporation, directly or indirectly, Transfer:
  - (i) for the period commencing on the Closing Date until the earlier of (1) the date that is one month following the issuance of the Common Shares pursuant to the terms of the Subscription Receipts and (2) the date that is 12 months following the Closing Date, (A) any of the Subscribed Securities and (B) following the issuance of Common Shares pursuant to the terms of the Subscription Receipts, that number of Common Shares equal to the number of Placement Underlying Shares acquired pursuant to the Subscription Receipts; or
  - (ii) for the period commencing on the date hereof and ending on the earliest of (1) the date of completion of the vote of shareholders of the Target, if applicable, related to the Acquisition, (2) the date on which the Takeover Offer, if applicable, becomes or is declared unconditional in all respects and (3) the date of termination of the Acquisition, the Common Shares, the ordinary shares of Tryg or the ordinary shares of the Target it owns as at the date hereof; *provided*, however, that, notwithstanding the foregoing, the lockup in this paragraph (a)(ii) with respect to Common Shares only shall end no later than the date of the earliest of (A) the date of the earliest of the events in the foregoing clauses (1) through (3) and (B) 120 days following the Closing Date.
- (b) The restrictions on Transfer contained in paragraph (a)(ii) shall not apply to Transfers where the equity securities are managed by arms-length parties pursuant to a discretionary mandate or where the purpose of the Transfer is to maintain a portfolio of investments which tracks a stock market index for pure investment purposes, provided in

each case that the Transfer of equity securities (other than Common Shares) shall have been consented to by or conducted in a manner consistent with the requirements of the UK Panel on Takeovers and Mergers.

**27. Standstill**

Until the earliest of (i) the time of Acquisition Closing, (ii) the occurrence of a Termination Event and (iii) the date on which this Agreement is terminated by mutual written agreement of the parties hereto, the Investor shall not, and shall procure that each Investor Affiliate shall not, without prior written consent of the Corporation, acquire, directly or indirectly, ordinary shares or any convertible securities of the Target (or any interest therein), unless such acquisition is made by a third party investment manager with a discretionary mandate to act on behalf of the Investor or the Investor Affiliate.

**28. Due Diligence**

The Corporation will make available to the Investor all material documents to which it has access in connection with the Acquisition (to the extent the Corporation has the right to so make available and provided that the information in question is not subject to a claim of legal privilege) necessary for the Investor to assess the Investor Private Placement and, subject to the Investor executing a customary non-reliance letter, copies of all formal summary written reports produced by or on behalf of the Corporation in the course of its due diligence investigation of the business and affairs of the Target as it relates to the Acquisition that are not subject to a claim of legal privilege. Notwithstanding the foregoing, the scope of information and materials to be provided to the Investor under this Section shall be determined and limited by, among other things, Rule 20.1 of the Takeover Code requiring public disclosure of certain information related to the Acquisition or the parties to the Acquisition which are shared with shareholders of the Corporation or the Target, such that the Corporation shall not be obliged to make any information or materials available to the Investor to the extent such action would make the Corporation be required under Rule 20.1 of the Takeover Code to make publicly available any information or material which the Corporation would not otherwise make, or be required to make, public.

**29. Assignment and Enurement**

Neither this Agreement nor any benefits or duties accruing under this Agreement shall be assignable by any party without the prior written consent of the other party, except that the Investor shall be entitled to assign this Agreement or the benefits or duties accruing hereunder to a wholly-owned Subsidiary of the Parent Entity without the prior consent of the Corporation; provided that (i) the Investor shall remain liable for the performance of such Subsidiary's obligations under this Agreement and (ii) such Subsidiary shall be deemed to represent and warrant all of the representations and warranties under Section 7 as if it were the Investor. Subject to the foregoing, this Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective successors and permitted assigns.

**30. Public Filing**

The parties hereby consent to the public filing of this Agreement if any party is required to do so by law or by applicable regulations or policies of any regulatory agency of competent jurisdiction or any stock exchange.

**31. Entire Agreement**

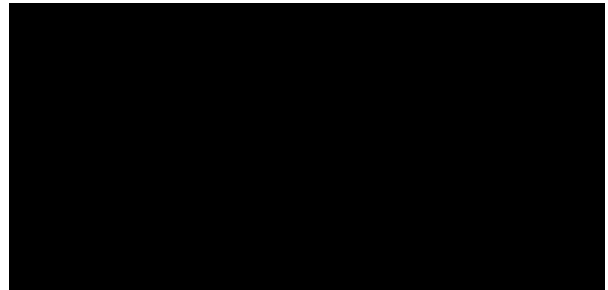
It is understood that the terms and conditions of this Agreement, the Investor Rights Agreement (when executed) and the Investor Support Agreement (when executed) supersede any previous verbal or written agreement between the Investor and the Corporation relating to the subject matter hereof and thereof.

*Remainder of page intentionally left blank.*

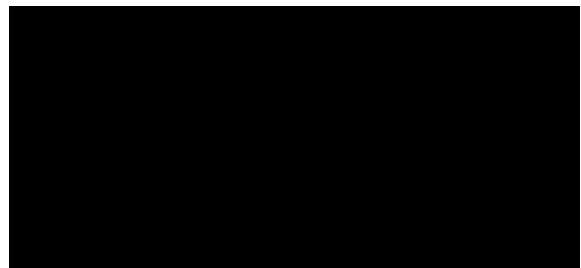
If the foregoing is in accordance with your understanding and is agreed to by you, please confirm your acceptance by signing the enclosed copies of this letter at the place indicated and by returning the same to the Investor.

**CPP INVESTMENT BOARD PMI-2 INC.**

Per:  
Name:



Per:  
Name:



ACCEPTED AND AGREED to as of the 11th day of November, 2020.

**INTACT FINANCIAL CORPORATION**

Per:  
Name:  
Title:

