

THIS FIRST SUPPLEMENTAL INDENTURE dated as of the 31st day of March, 2021

BETWEEN:

INTACT FINANCIAL CORPORATION, a corporation existing under the laws of Canada (the “**Corporation**”)

OF THE FIRST PART

-and-

COMPUTERSHARE TRUST COMPANY OF CANADA, a trust company existing under the laws of Canada (the “**Trustee**”)

OF THE SECOND PART

WHEREAS by a trust indenture dated as of March 31, 2021 (the “**Trust Indenture**”) between the Corporation and the Trustee provision was made for the creation and issuance by the Corporation of Notes;

AND WHEREAS pursuant to the terms of the Trust Indenture, the Corporation desires to provide for the establishment of a new Series of Notes under the Trust Indenture, to be known as its 4.125% Fixed-to-Fixed Rate Subordinated Notes, Series 1 due March 31, 2081 (the “**Notes**”), the form and substance of such Series and the terms, provisions and conditions thereof to be as set forth in the Trust Indenture and this First Supplemental Indenture;

AND WHEREAS Section 14.01 of the Trust Indenture provides that from time to time the Corporation and the Trustee may, subject to the provisions of the Trust Indenture, and they shall, when so directed by the Trust Indenture, execute, acknowledge and deliver by their proper officers deeds or indentures supplemental to the Trust Indenture, which thereafter shall form part of the Trust Indenture, for any one or more of the purposes set out in Section 14.01;

AND WHEREAS this First Supplemental Indenture is hereinafter referred to as the “**First Supplemental Indenture**” and is executed and delivered pursuant to the authorization of the directors of the Corporation;

NOW, THEREFORE, THIS FIRST SUPPLEMENTAL INDENTURE WITNESSES that, in consideration of the premises, covenants and agreements contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties hereto, the parties agree as follows:

**ARTICLE 1
INTERPRETATION**

1.1 Supplemental Trust Indenture

This First Supplemental Trust Indenture is a Supplemental Indenture within the meaning of the Trust Indenture. With respect to the Notes, the Trust Indenture and this First Supplemental Trust Indenture will be read together and have effect so far as practicable as though all of the provisions of both indentures were contained in one instrument.

In the event of any inconsistency between the terms and conditions in the Trust Indenture and this First Supplemental Trust Indenture, the terms and conditions in this First Supplemental Trust Indenture prevail.

1.2 First Supplemental Trust Indenture

The terms “**this First Supplemental Trust Indenture**”, “**this supplemental indenture**”, “**hereto**”, “**hereby**”, “**hereunder**”, “**hereof**”, “**herein**”, and similar expressions, unless the context otherwise specifies or requires, refer to the Trust Indenture as supplemented by this First Supplemental Trust Indenture and not to any particular Article, Section or other portion, and include every instrument supplemental or ancillary to this First Supplemental Trust Indenture.

1.3 Definitions

In this First Supplemental Indenture, unless there is something in the subject matter or context inconsistent therewith:

“**Automatic Conversion**” has the meaning ascribed to such term in Section 4.1;

“**Automatic Conversion Event**” means an event giving rise to an Automatic Conversion, being the occurrence of any one of the following: (i) the making by the Corporation of a general assignment for the benefit of its creditors or a proposal (or the filing of a notice of its intention to do so) under the *Bankruptcy and Insolvency Act* (Canada) or an application for an initial order under the *Companies’ Creditors Arrangement Act* (Canada), (ii) any proceeding is instituted by the Corporation seeking to adjudicate it a bankrupt or insolvent or, where the Corporation is insolvent, seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or compromise of its debts under any law relating to bankruptcy, insolvency or corporate arrangements in Canada, or seeking the entry of an order for the appointment of a receiver, interim receiver, trustee, monitor or other similar official for the property and assets of the Corporation or any substantial part of its property and assets in circumstances where the Corporation is adjudged a bankrupt or insolvent, (iii) a receiver, interim receiver, trustee, monitor or other similar official is appointed over the property and assets of the Corporation or for any substantial part of its property and assets by a court of competent jurisdiction in circumstances where the Corporation is adjudged a bankrupt or insolvent under any law relating to bankruptcy or insolvency in Canada, or (iv) any proceeding is instituted against the Corporation seeking to adjudicate it a bankrupt or insolvent or, where the Corporation is insolvent, seeking liquidation, winding up, dissolution, reorganization, arrangement, adjustment, protection, relief or compromise of its debts under any law relating to bankruptcy, insolvency or corporate arrangements in Canada, or seeking the entry of an order for the appointment of a receiver, interim receiver, trustee, monitor or other similar official for the property and assets of the Corporation or any substantial part of its property and assets in circumstances where the Corporation is adjudged a bankrupt or insolvent under any law relating to bankruptcy or insolvency in Canada, and either such proceeding has not been stayed or dismissed within sixty (60) days of the institution of any such proceeding or the actions sought in such proceedings occur, including the entry of an order for relief against the Corporation or the appointment of a receiver, interim receiver, trustee, monitor or other similar official for it or for any substantial part of its property and assets;

“**Bloomberg Screen GCAN5YR Page**” means the display designated on page “GCAN5YR<INDEX>” on the Bloomberg Financial L.P. service (or such other page as may

replace the GCAN5YR page on that service for purposes of displaying Government of Canada bond yields);

“Calculation Agent” means a third party independent financial institution of national standing with experience providing such services, which will be selected by the Corporation prior to the first Interest Reset Date;

“Closing Date” means March 31, 2021;

“Conversion Preference Shares” means the newly issued series of Preferred Shares, designated as Non-Cumulative Class A Shares, Series 10, to be issued to Holders of Notes upon the occurrence of an Automatic Conversion Event;

“Conversion Time” has the meaning ascribed to such term in Section 4.1;

“DBRS” means DBRS Limited or any successor to the rating agency business thereof;

“Deferral Period” has the meaning ascribed to such term in Section 5.1;

“Dividend Restricted Shares” means, collectively, preferred shares in the capital of the Corporation (including the Conversion Preference Shares) and common shares in the capital of the Corporation;

“Equity Credit Methodology” means the methodology or criteria employed by DBRS, Moody’s, Fitch or any other designated rating organization (as defined in National Instrument 44-101 – *Short Form Prospectus Distributions*), as applicable, for purposes of assigning equity credit to securities such as the Notes that was effective on the date on which such equity credit was initially assigned to the Notes;

“Fitch” means Fitch Ratings Limited or any successor to the rating agency business thereof;

“Fixed Rate Calculation Date” means, in respect of an Interest Reset Date, the Business Day prior to such Interest Reset Date;

“Government of Canada Yield” as at any Fixed Rate Calculation Date means the bid yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the Government of Canada Yield will mean the bid yield to maturity on such date, compounded semi-annually, which a non-callable Government of Canada nominal bond would be expected to carry if issued, in Canadian dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the related Subsequent Fixed Rate Period, as determined by two independent Canadian investment dealers (each of which is a member of the Investment Industry Regulatory Organization of Canada or any successor to or of the Investment Industry Regulatory Organization of Canada) selected by the Corporation, and based on a linear interpolation of the yields represented by the arithmetic average of bids observed in the market at or about 10:00 a.m. (Toronto time) on the relevant date for each of the two outstanding non-callable Government of Canada nominal bonds which have the terms to maturity which most closely span such Subsequent Fixed Rate Period on such Fixed Rate Calculation

Date, where such arithmetic average is based in each case on the bids quoted by such independent investment dealers;

“**Holders**” means the registered holders, from time to time, of the Notes or, where the context requires, all of such holders;

“**Ineligible Person**” means any Person whose address is in, or whom the Corporation or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada to the extent that: (i) the issuance or delivery by the Corporation to such Person, upon an Automatic Conversion, of Conversion Preference Shares, would require the Corporation to take any action to comply with securities or analogous laws of such jurisdiction; or (ii) the Corporation or its transfer agent would be obligated to make or remit any tax withholdings or deductions to a Governmental Authority in connection with the delivery to such Person of Conversion Preference Shares upon an Automatic Conversion;

“**Interest Payment Date**” means March 31 and September 30 of each year during which any Notes are outstanding;

“**Interest Period**” means, initially, the period from and including the Closing Date to but excluding March 31, 2026 and thereafter the period from and including each Interest Payment Date to but excluding the next following Interest Payment Date, until the Maturity Date;

“**Interest Reset Date**” means March 31, 2026 and thereafter each date falling on the five-year anniversary of the preceding Interest Reset Date during which any Notes are outstanding until the Maturity Date, on which dates the interest rate on the Notes will be reset as described on the Form of Global Note attached as Schedule A hereto and Section 2.2 hereof;

“**Maturity Date**” means March 31, 2081;

“**Moody’s**” means Moody’s Investors Service, Inc. or any successor to the rating agency business thereof;

“**Notes**” has the meaning ascribed to such term in the second recital to this supplemental indenture;

“**Parity Notes**” means any class or series of the Corporation’s indebtedness currently outstanding or hereafter created which ranks on a parity with the Notes (prior to any Automatic Conversion) as to distributions upon liquidation, dissolution or winding-up;

“**Preferred Shares**” means the Class A shares in the capital of the Corporation;

“**Rating Event**” means the amount of equity credit assigned to the Notes by DBRS, Moody’s, Fitch or any other designated rating organization (as defined in National Instrument 44-101 – *Short Form Prospectus Distributions*), as applicable, has been reduced due to any amendment to, clarification of or change in the Equity Credit Methodology;

“**Subsequent Fixed Rate Period**” means the period from and including March 31, 2026 to but excluding March 31, 2031 and each five-year period thereafter from and including the day immediately following the end of the immediately preceding Subsequent Fixed Rate Period to but excluding March 31 in the fifth year thereafter;

“Tax Event” means the Corporation has received an opinion of independent counsel of a nationally recognized law firm in Canada or the United States experienced in such matters (who may be counsel to the Corporation) to the effect that, as a result of, (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada or the United States or any political subdivision or taxing authority thereof or therein, affecting taxation; (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an **“Administrative Action”**); or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each of case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, Administrative Action, interpretation or pronouncement is made known, which amendment, clarification, change or Administrative Action is effective or which interpretation, pronouncement or Administrative Action is announced on or after the date of issue of the Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or Administrative Action is effective and applicable) that the Corporation is, or may be, subject to more than a *de minimis* amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the Notes (including the treatment by the Corporation of interest on the Notes), as or as would be reflected in any tax return or form filed, to be filed, or that otherwise could have been filed, will not be respected by a taxing authority; and

“Trust Indenture” has the meaning ascribed to such term in the first recital to this supplemental indenture.

1.4 Incorporation of Certain Definitions

All terms contained in this First Supplemental Indenture which are defined in the Trust Indenture, as supplemented and amended to the date hereof, shall, for all purposes hereof, have the meanings given to such terms in the Trust Indenture, as so supplemented and amended, unless otherwise defined herein or unless the context otherwise specifies or requires.

ARTICLE 2 THE NOTES

2.1 Limitation on Issue

The aggregate principal amount of the Notes that may be issued and authenticated hereunder shall be unlimited.

2.2 Terms of Notes

2.2.1 The Notes shall be dated as of the Closing Date, regardless of their actual date of issue, and shall mature on the Maturity Date.

- 2.2.2 Subject to Article 5, interest on the Notes will be payable in arrears in equal semi-annual payments on each Interest Payment Date, commencing on September 30, 2021.
- 2.2.3 From the Closing Date to, but excluding, March 31, 2026, the Notes will bear interest at the fixed rate of 4.125% per annum. From and including March 31, 2026, during each Interest Period during which the Notes are outstanding, the Notes will bear interest at a fixed rate per annum equal to the Government of Canada Yield on the applicable Fixed Rate Calculation Date plus 3.196%, to be reset by the Calculation Agent on each Interest Reset Date. Subject to Article 5, interest as aforesaid shall be payable after as well as before default, with interest on overdue interest, in like money, at the same rates and on the same dates.
- 2.2.4 Interest for each Interest Period will be calculated on the basis of equal semi-annual payments when calculating amounts due on any Interest Payment Date and the actual number of days elapsed and a 365- day year when calculating accruals during any partial interest period.
- 2.2.5 If any Interest Payment Date falls on a day that is not a Business Day, the Interest Payment Date will be postponed until the next Business Day, and no further interest or other sums will accrue in respect of such postponement. Also, if a redemption date or the Maturity Date of the Notes falls on a day that is not a Business Day, the payment of principal and any premium or interest then due will be made on the next succeeding Business Day and no interest on such payment will accrue for the period from and after the redemption date or the Maturity Date, if applicable.
- 2.2.6 Where the Notes are represented by a Global Note, the Record Date will be the close of business five Business Days preceding the relevant Interest Payment Date. If the Notes cease to be represented by a Global Note, the Corporation may select a Record Date which will be a date that is at least 10 Business Days preceding an Interest Payment Date.
- 2.2.7 Interest payments will be made to Holders in whose names the Notes are registered at the close of business on the Record Date relating to the relevant Interest Payment Date.
- 2.2.8 The principal of, and interest and Premium (if any) on, the Notes will be payable in Canadian dollars.

2.3 Form of Notes

- 2.3.1 The Notes shall be issued only as fully registered Notes in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof.
- 2.3.2 The Notes and the certificate of authentication of the Trustee endorsed thereon shall be in the English language and shall be substantially in the form set out in Schedule A hereto, with such appropriate additions, deletions, substitutions and variations as the Trustee may approve and shall bear such distinguishing letters and numbers as the Trustee may approve, such approval of the Trustee to be conclusively evidenced by its authentication of the Notes.
- 2.3.3 The Notes may be engraved, printed or lithographed, or in electronic form, or partly in one form and partly in another, as the Corporation may determine.

2.4 Calculation Agent

The Corporation shall be entitled to appoint a Calculation Agent at any time and from time to time, on written notice to the Trustee to determine, with the validation of the Corporation as evidenced by an Order of the Corporation, the amount of fixed rate interest payable on the Notes from and after March 31, 2026, and may replace any such Calculation Agent at any time and from time to time, on written notice to the Trustee, in each case, in the sole discretion of the Corporation.

ARTICLE 3 REDEMPTION OF THE NOTES

3.1 Redemption of Notes at the Option of the Corporation

The Corporation may, at its option, redeem the Notes, in whole at any time or in part from time to time, on giving not more than 60 days' nor less than 10 days' prior notice to the Holders thereof, and upon and subject to such conditions as may be specified in the applicable notice of redemption, without the consent of the Holders, at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest to, but excluding, the date fixed for redemption, every five years during the period from February 28 to and including March 31, commencing in 2026.

3.2 Partial Redemption of Notes

- 3.2.1 If less than all the Notes are to be redeemed pursuant to Section 3.1, the Corporation shall, at least 15 days prior to the date that notice of redemption is given, notify the Trustee by Order of the Corporation stating the Corporation's intention to redeem the applicable aggregate principal amount of the Notes to be redeemed. The Notes to be redeemed shall be selected, if the Notes are represented by a Global Note, in accordance with the procedures of the Depository or if the Notes are certificated, on a pro rata basis, disregarding fractions, according to the principal amount of the Notes registered in the respective names of each Holder, or, in any case, in such other manner as the Trustee may consider equitable, provided that such selection shall be proportionate (to the nearest minimum authorized denomination for the Notes established pursuant to Section 2.3).
- 3.2.2 If Notes in denominations in excess of the minimum authorized denomination for the Notes are selected and called for redemption in part only (such part being that minimum authorized denomination or an integral multiple thereof) then, unless the context otherwise requires, references to Notes in this Article 3 shall be deemed to include any such part of the principal amount of the Notes which shall have been so selected and called for redemption. The Holder of any Notes called for redemption in part only, upon surrender of such Notes for payment, shall be entitled to receive, without expense to such Holder, new Notes for the unredeemed part of the Notes so surrendered, and the Corporation shall execute and the Trustee shall authenticate and deliver, at the expense of the Corporation, such new Notes having the same terms as are set out herein upon receipt from the Trustee or the Paying Agent of the Notes so surrendered.

3.3 Redemption upon a Tax Event

At any time on or within 90 days following the occurrence of a Tax Event, the Corporation may, at its option, on giving not more than 60 days' nor less than 10 days' prior notice to the Holders thereof, redeem all (but not less than all) of the Notes without the consent of the Holders. The

redemption price shall be equal to 100% of the principal amount thereof, together with accrued and unpaid interest to, but excluding, the date fixed for redemption.

3.4 Redemption upon a Rating Event

At any time on or within 90 days following the occurrence of a Rating Event, the Corporation may, at its option, on giving not more than 60 days' nor less than 10 days' prior notice to the Holders thereof, redeem all (but not less than all) of the Notes without the consent of the Holders. The redemption price shall be equal to 102% of the principal amount thereof, together with accrued and unpaid interest to, but excluding, the date fixed for redemption.

3.5 Notice of Redemption

Notice of any intention to redeem any Notes shall be given by or on behalf of the Corporation to the Holders of the Notes which are to be redeemed, not more than 60 days and not less than 10 days prior to the date fixed for redemption, in the manner provided in the Trust Indenture. The notice of redemption shall, unless all the Notes then outstanding are to be redeemed, specify the distinguishing letters and numbers of the Notes which are to be redeemed and, if the Notes are to be redeemed in part only, shall specify that part of the principal amount thereof to be redeemed, and shall specify the redemption date, the redemption price (which, if the Notes are represented by a Global Note, will be expressed as a rate up to five decimal places, if required by the Depository) and places or method of payment and shall state that all interest on the Notes called for redemption shall cease from and after such redemption date (provided that any conditions to such redemption are satisfied or waived, if applicable). A notice of redemption may be conditional and, in such case, such notice of redemption shall specify the details and terms of any event or matter on which such redemption is conditional.

3.6 Cancellation of the Notes

All Notes redeemed under this Article 3 shall forthwith be delivered to the Trustee and shall be cancelled by it and will not be reissued or resold, and except as provided in subsection 3.2.2, no Notes shall be issued in substitution therefor.

ARTICLE 4 AUTOMATIC CONVERSION

4.1 Automatic Conversion

Upon an Automatic Conversion Event, as of the Conversion Time, the Notes shall be automatically converted (the "**Automatic Conversion**"), without the consent of the Holders, into a newly issued series of fully paid Conversion Preference Shares with a stated issue price of \$1,000 per share, for each \$1,000 principal amount of Notes held immediately prior to the Conversion Time, together with such number of Conversion Preference Shares (including fractional shares, where applicable) calculated by dividing the amount of accrued and unpaid (including deferred, as applicable) interest on each \$1,000 principal amount of Notes to, but excluding, the date of the Automatic Conversion Event by \$1,000. The Automatic Conversion shall occur upon an Automatic Conversion Event (the "**Conversion Time**"). At the Conversion Time all Notes shall be deemed to be immediately and automatically surrendered and cancelled without need for further action by the Holders who shall thereupon automatically cease to be Holders thereof and all rights of any such Holder as a debtholder of the Corporation shall automatically cease, provided, however, that certificated Notes, if any, shall be surrendered by

the Holder to the Trustee for cancellation prior to the distribution of the Conversion Preference Shares issuable to such Holder pursuant to an Automatic Conversion. For greater certainty, any Notes purchased or redeemed by the Corporation prior to the Conversion Time shall be deemed not to be outstanding, and shall not be subject to the Automatic Conversion. Notwithstanding anything contained herein to the contrary, the Trustee shall not have any responsibility to determine if and when an Automatic Conversion Event has occurred. The Corporation shall provide written notification of the occurrence of an Automatic Conversion Event upon which the Trustee shall be able to conclusively rely. The Corporation shall make all the calculations required to be made pursuant to an Automatic Conversion.

4.2 Right Not to Deliver the Conversion Preference Shares

Upon an Automatic Conversion of the Notes, the Corporation reserves the right not to issue some or all, as applicable, of the Conversion Preference Shares to Ineligible Persons. In such circumstances, the Corporation will hold all Conversion Preference Shares that would otherwise be delivered to Ineligible Persons, as agent for Ineligible Persons, and will attempt to facilitate the sale of such Conversion Preference Shares through a registered dealer retained by the Corporation for the purpose of effecting the sale (to parties other than the Corporation, its Affiliates or other Ineligible Persons) on behalf of such Ineligible Persons. Such sales, if any, may be made at any time and any price. The Corporation will not be subject to any liability for failing to sell Conversion Preference Shares on behalf of any such Ineligible Persons or at any particular price on any particular day. The net proceeds received by the Corporation from the sale of any such Conversion Preference Shares will be divided among the Ineligible Persons in proportion to the number of Conversion Preference Shares that would otherwise have been delivered to them, after deducting the costs of sale and applicable taxes, if any. The Corporation will make payment of the aggregate net proceeds to the Depository (if the Notes are then held in the book-entry only system) or to the Registrar and transfer agent (in all other cases) for distribution to such Ineligible Persons in accordance with the procedures of the Depository or otherwise. The Corporation shall, upon request of the Trustee, provide written confirmation of the payments made to the Depository in lieu of and in full and final satisfaction for the non-delivery of the Conversion Preference Shares.

ARTICLE 5 DEFERRAL RIGHT

5.1 Deferral Right

So long as no Event of Default has occurred and is continuing, the Corporation may elect, at its sole option, at any date other than an Interest Payment Date, to defer the interest payable on the Notes on one or more occasions for up to five consecutive years (each, a “**Deferral Period**”). Such deferral will not constitute an Event of Default or any other breach hereunder or under the Notes. Deferred interest will accrue, compounding on each subsequent Interest Payment Date, until paid. A Deferral Period terminates on any Interest Payment Date where the Corporation pays all accrued and unpaid (including deferred, as applicable) interest on such date. No Deferral Period may extend beyond the Maturity Date, and, for greater certainty, all accrued and unpaid (including deferred, as applicable) interest shall be due and payable on the Maturity Date or any date fixed for redemption, as applicable.

The Corporation will give the Trustee and the Holders of the Notes written notice of its election to commence or continue a Deferral Period at least 10 and not more than 60 days before the next Interest Payment Date.

5.2 No Limit

There shall be no limit on the number of Deferral Periods that may occur.

5.3 Dividend Stopper Undertaking

Unless the Corporation has paid all accrued and payable interest on the Notes, the Corporation will not:

- (i) declare any dividend on the Dividend Restricted Shares (other than stock dividends on Dividend Restricted Shares) or pay any interest on any Parity Notes (prior to any Automatic Conversion);
- (ii) redeem, purchase or otherwise retire any Dividend Restricted Shares or Parity Notes; or
- (iii) make any payment to holders of or in respect of any of the Dividend Restricted Shares or any of the Parity Notes in respect of dividends not declared or paid on such Dividend Restricted Shares or interest not paid on such Parity Notes, respectively.

ARTICLE 6 COVENANTS OF THE CORPORATION

6.1 Covenants Applicable to the Notes

The Notes issued pursuant to this First Supplemental Indenture shall receive the benefit of the covenants of the Corporation contained in Section 7.01 of the Trust Indenture.

6.2 Additional Covenant

The Corporation covenants for the benefit of Holders of Notes, that for so long as the Conversion Preference Shares issuable upon an Automatic Conversion are issuable or outstanding, the Corporation will not create or issue any preferred shares which, in the event of insolvency or winding up of the Corporation, would rank in right of payment in priority to the Conversion Preference Shares, but for greater certainty, may issue preferred shares which, in the event of insolvency or winding up of the Corporation, would rank pari passu in right of payment with the Conversion Preference Shares.

ARTICLE 7 MISCELLANEOUS

7.1 Confirmation of Trust Indenture

The Trust Indenture, as supplemented and amended by this First Supplemental Indenture, is in all respects ratified, confirmed and approved.

7.2 Acceptance of Trust

The Trustee hereby accepts the trusts in this First Supplemental Indenture declared and provided and agrees to perform the same upon the terms and conditions contained herein.

7.3 Duty of Care

The Trustee, in exercising its powers and discharging its duties under this First Supplemental Indenture, shall act honestly and in good faith with a view to the best interests of the Holders and will exercise the care, diligence and skill of a reasonably prudent trustee.

7.4 No Conflict of Interest

The Trustee represents to the Corporation that, at the date of the execution and delivery of this First Supplemental Indenture, there exists no material conflict of interest between the role of the Trustee as a fiduciary hereunder and the Trustee's role in any other capacity.

7.5 Benefits of First Supplemental Indenture

Nothing in this First Supplemental Indenture will give to any Person, other than the parties to this First Supplemental Indenture, any authenticating agent, any Paying Agent, any Registrar of the Notes and their respective successors, any benefit or any legal or equitable right, remedy or claim under this First Supplemental Indenture.

7.6 Enurement

This First Supplemental Indenture shall enure to the benefit of and be binding upon the parties hereto and their successors and permitted assigns.

7.7 Governing Law

This First Supplemental Indenture shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable in Ontario.

7.8 Counterparts

This instrument may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, but all such counterparts shall together constitute but one and the same instrument.

7.9 Additional Amounts

The Corporation will not be required to pay an additional amount on the Notes in respect of any tax, assessment or government charge withheld or deducted.

7.10 Trustee, etc.

The Trustee will be the trustee, authenticating agent, transfer agent and Registrar, and Paying Agent for the Notes.

7.11 Trustee Makes No Representation

The recitals contained herein are made by the Corporation and not by the Trustee, and the Trustee assumes no responsibility for the correctness thereof. The Trustee makes no representation as to the validity or sufficiency of this First Supplemental Indenture.

[remainder of page intentionally left blank]

IN WITNESS WHEREOF THE PARTIES HERETO have duly executed this First Supplemental Indenture as of the date first written above.

INTACT FINANCIAL CORPORATION

By:

(signed) "Charles Brindamour"

Name: Charles Brindamour

Title: Chief Executive Officer

By:

(signed) "Louis Marcotte"

Name: Louis Marcotte

Title: Senior Vice President and
Chief Financial Officer

**COMPUTERSHARE TRUST COMPANY OF
CANADA**

By:

(signed) "Lisa M. Kudo"

Name: Lisa M. Kudo

Title: Corporate Trust Officer

By:

(signed) "Mohanie Shivprasad"

Name: Mohanie Shivprasad

Title: Associate Trust Officer

SCHEDULE A

FORM OF GLOBAL NOTE

UNLESS THIS CERTIFICATE IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF CDS CLEARING AND DEPOSITORY SERVICES INC. (“**CDS**”) TO INTACT FINANCIAL CORPORATION OR ITS AGENT FOR REGISTRATION OF TRANSFER, EXCHANGE OR PAYMENT, AND ANY CERTIFICATE ISSUED IN RESPECT THEREOF IS REGISTERED IN THE NAME OF CDS & CO., OR IN SUCH OTHER NAME AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS (AND ANY PAYMENT IS MADE TO CDS & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF CDS), ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL SINCE THE REGISTERED HOLDER HEREOF, CDS & CO., HAS A PROPERTY INTEREST IN THE SECURITIES REPRESENTED BY THIS CERTIFICATE HEREIN AND IT IS A VIOLATION OF ITS RIGHTS FOR ANOTHER PERSON TO HOLD, TRANSFER OR DEAL WITH THIS CERTIFICATE.

UNLESS PERMITTED UNDER CANADIAN SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE AUGUST 1, 2021.

No. S1-0

INTACT FINANCIAL CORPORATION

(a corporation existing under the laws of Canada)

4.125% Fixed-to-Fixed Rate Subordinated Notes, Series 1 Due March 31, 2081

ISIN: CA45823TAD87
CUSIP: 45823TAD8

INTACT FINANCIAL CORPORATION (the “**Corporation**”) for value received hereby promises to pay to CDS & CO., as the registered holder hereof (the “**Holder**”) on March 31, 2081 or on such earlier date as the principal amount hereof may become due in accordance with the provisions of the Trust Indenture hereinafter mentioned, the principal sum of

• DOLLARS

\$•

in lawful money of Canada on presentation and surrender of this Note (as defined below) at the principal office of the Trustee in the City of Toronto or such other location as it may designate from time to time, and, subject to Article 5 of the First Supplemental Indenture referred to below, to pay interest on the principal amount hereof from and including the date hereof, or from and including the last Interest Payment Date (as defined in the Trust Indenture) to which interest shall have been paid or made available for payment on the outstanding Notes, whichever is later, at the rate of 4.125% per annum, payable in arrears, in equal semi-annual payments on March 31 and September 30 in each year (or the next following Business Day if such date is not a Business Day) from March 31, 2021 to, but excluding, March 31, 2026. From and including March 31, 2026, during each Interest Period (as defined in the Trust Indenture) during which the Notes are outstanding, the Notes will bear interest at a fixed rate per annum equal to the Government of

Canada Yield (as defined in the Trust Indenture) on the applicable Fixed Rate Calculation Date (as defined in the Trust Indenture) plus 3.196%, to be reset by the Calculation Agent (as defined in the Trust Indenture) on each Interest Reset Date (as defined in the Trust Indenture) and with the interest during such period to, subject to Article 5 of the First Supplemental Indenture referred to below, be payable in arrears, in equal semi-annual payments on March 31 and September 30 in each year (or the next following Business Day if such date is not a Business Day). Subject to Article 5 of the First Supplemental Indenture referred to below, interest as aforesaid shall be payable after as well as before default, with interest on overdue interest, in like money, at the same rates and on the same dates.

This Note is one of the 4.125% Fixed-to-Fixed Rate Subordinated Notes, Series 1 due March 31, 2081 (the “**Notes**”) of the Corporation issued or issuable under the provisions of a Trust Indenture dated as of March 31, 2021 between the Corporation and Computershare Trust Company of Canada, as trustee (the “**Trustee**”), as amended and supplemented by a First Supplemental Indenture dated as of March 31, 2021 between the Corporation and the Trustee (which indenture as amended and supplemented is herein referred to as the “**Trust Indenture**”). The Notes issuable under the Trust Indenture are unlimited as to aggregate principal amount. Reference is hereby expressly made to the Trust Indenture for a description of the terms and conditions upon which the Notes are or are to be issued and held and the rights, remedies and obligations of the holders of the Notes, of the Corporation and of the Trustee in respect thereof, all to the same effect as if the provisions of the Trust Indenture were herein set forth, to all of which provisions the Holder by acceptance hereof acknowledges and assents. If a term or provision contained in this Note shall conflict or be inconsistent with a term or provision of the Trust Indenture, the Trust Indenture shall govern.

So long as no Event of Default has occurred and is continuing, the Corporation may elect, at its sole option, at any date other than an Interest Payment Date, to defer the interest payable on the Notes on one or more occasions for up to five consecutive years (each, a “**Deferral Period**”). There shall be no limit on the number of Deferral Periods that may occur. Such deferral will not constitute an Event of Default or any other breach under the Trust Indenture or the Notes. Deferred interest will accrue, compounding on each subsequent Interest Payment Date, until paid. A Deferral Period terminates on any Interest Payment Date where the Corporation pays all accrued and unpaid (including deferred, as applicable) interest on such date. No Deferral Period may extend beyond the Maturity Date, and, for greater certainty, all accrued and unpaid (including deferred, as applicable) interest shall be due and payable on the Maturity Date.

The Notes are issuable only as fully registered Notes in minimum denominations of \$1,000 and integral multiples of \$1,000 in excess thereof. Upon compliance with the provisions of the Trust Indenture, the Notes of any denomination may be exchanged for an equal aggregate principal amount of the Notes in any other authorized denomination or denominations.

The Notes are direct obligations of the Corporation but are not secured by any mortgage, pledge, hypothec or other charge.

The indebtedness evidenced by this Note and by all other Notes now or hereafter authenticated and delivered under the Trust Indenture is subordinated and subject in right of payment, to the extent and in the manner provided in the Trust Indenture, to the prior payment in full of all present and future Senior Indebtedness (as defined in the Trust Indenture), whether outstanding at the date of the Trust Indenture or thereafter created, incurred, assumed or guaranteed.

The right is reserved to the Corporation to purchase or redeem the Notes for cancellation, in all cases in accordance with the provisions of the Trust Indenture.

The Notes will be automatically converted into Conversion Preference Shares (as defined in the Trust Indenture) upon an Automatic Conversion Event (as defined in the Trust Indenture), in the manner, with the effect and as of the effective time contemplated in the Trust Indenture.

This Note may only be transferred, upon compliance with the conditions prescribed in the Trust Indenture, in one of the registers to be kept at the principal office of the Trustee in Toronto, Ontario and in such other place or places and/or by such other registrars (if any) as the Corporation, with the approval of the Trustee, may designate, by the Holder or such Holder's executors or administrators or other legal representatives or such Holder's attorney duly appointed by an instrument in form and substance satisfactory to the Trustee or other registrar, and upon compliance with such reasonable requirements as the Trustee and/or other registrar may prescribe.

This Note shall be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

This Note shall not become obligatory for any purpose until it shall have been authenticated by the Trustee under the Trust Indenture.

IN WITNESS WHEREOF, the Corporation has caused this instrument to be duly executed as of _____.

INTACT FINANCIAL CORPORATION

Per: _____
Name:
Title:

Per: _____
Name:
Title:

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This Note is one of the 4.125% Fixed-to-Fixed Rate Subordinated Notes, Series 1 referred to in the Trust Indenture within mentioned.

Dated:

**COMPUTERSHARE TRUST COMPANY OF
CANADA**

By: _____
Authorized Officer

(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns and transfers unto _____, whose address and social insurance number, if applicable are set forth below, this Note (or \$_____ principal amount hereof) of INTACT FINANCIAL CORPORATION standing in the name(s) of the undersigned in the register maintained by or on behalf of Intact Financial Corporation with respect to such Note and does hereby irrevocably authorize and direct the Trustee to transfer such Note in such register, with full power of substitution in the premises.

Dated: _____

Address of Transferee: _____
(Street Address, City, Province and Postal Code)

Social Insurance Number of Transferee, if applicable: _____

1. The signature(s) to this assignment must correspond with the name(s) as written upon the face of the Note in every particular without alteration or any change whatsoever. The signature(s) must be guaranteed by a Canadian chartered bank or trust company or by a member of an acceptable Medallion Guarantee Program. Notarized or witnessed signatures are not acceptable as guaranteed signatures. The Guarantor must affix a stamp bearing the actual words: "SIGNATURE GUARANTEED".
2. The registered holder of this Note is responsible for the payment of any documentary, stamp or other transfer taxes that may be payable in respect of the transfer of this Note.

Signature of Guarantor:

Authorized Officer

Signature of transferring registered holder

Name of Institution