Definity Financial Corporation
Initial Public Offering of Common Shares
November 17, 2021

A final base PREP prospectus dated November 17, 2021 containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final base PREP prospectus, and any amendment, is required to be delivered with this document. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base PREP prospectus, the supplemented PREP prospectus and any amendment for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

The final base PREP prospectus constitutes a public offering of securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities are being offered in the United States only to persons reasonably believed to be "qualified institutional buyers" pursuant to Rule 144A under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"). The securities of the Company have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or the securities laws of any state of the United States (as such term is defined in Regulation S under the U.S. Securities Act) and may not be offered, sold or delivered, directly or indirectly, in the United States or to U.S. persons (as defined in Regulation S under the U.S. Securities Act), except in transactions exempt from, or not subject to, pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. This document does not constitute an offer to sell or solicitation of an offer to buy any securities in the United States any jurisdiction to any person to whom it is unlawful to make such offer or solicitation in such jurisdiction prior to registration or qualification under the securities laws of any such jurisdiction.

Capitalized terms used but not otherwise defined herein shall have the respective meaning ascribed thereto in the final base PREP prospectus. All references to "$" or "dollars" in this document are to Canadian dollars, unless indicated otherwise.

Terms and Conditions

Issuer:	Definity Financial Corporation ("Definity" or the "Company").
Offering:	Initial Public Offering of 63,636,370 common shares (the "Common Shares") from treasury (73,181,825 Common Shares from treasury assuming the Over-Allotment Option (as defined below) is exercised in full).
Offering Price:	$22.00 per Common Share.
Offering Size:	$1,400,000,140 ($1,610,000,150 if the Over-Allotment Option is exercised in full).
Over-Allotment Option:	The Company has granted the Underwriters an option, exercisable, in whole or in part, at any time for a period of 30 days following the Closing Date, to purchase up to an additional 9,545,455 Common Shares issued under the Offering at the Offering Price solely to cover over-allotments, if any (the "Over-Allotment Option").
Cornerstone Private Placements:	In connection with the Offering, Healthcare of Ontario Pension Plan ("HOOPP") and Swiss Re Investments Holding Company Ltd. ("Swiss Re") have agreed to purchase Common Shares on a private placement basis at the Offering Price. Pursuant to the HOOPP Subscription Agreement, HOOPP has agreed to purchase, in two tranches on the Closing Date, an aggregate of 20,691,179 Common Shares, representing 19.9% of the issued and outstanding Common Shares (on a non-diluted basis and excluding the issuance of Common Shares. if any, concurrently with the closing of the Offering on exercise by the Underwriters of the Over-Allotment Option) immediately following the completion of the second tranche issuance (after taking into account the issuance of the Common Shares issued to Swiss Re pursuant to the Swiss Re Subscription Agreement). HOOPP has also agreed that, in the event that any Common Shares are issued to the Underwriters pursuant to the exercise of the Over-Allotment Option, HOOPP will purchase such additional number of Common Shares that, when added to the HOOPP Offering Shares, will be equal to 19.9% of the issued and outstanding Common Shares (on a non-diluted basis) after taking into account the issuance of Common Shares to the Underwriters pursuant to the exercise of the Over-Allotment Option and the

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issuance of such additional Common Shares to HOOPP (the "HOOPP Over-Allotment Private Placement").

Pursuant to the Swiss Re Subscription Agreement, Swiss Re has agreed to purchase, concurrently with the closing of the Offering, 11,450,000 Common Shares.

Use of Proceeds: The Company will use all of the net proceeds of the Offering and the Cornerstone Private Placements to fund the distribution of cash benefits of the Demutualization to Eligible Policyholders and the Foundation pursuant to the Conversion Plan. If the Over-Allotment Option is exercised in full or in part, the Company will use the net proceeds thereof, together with the net proceeds from the related HOOPP Over-Allotment Private Placement, for general corporate purposes. There will not be any proceeds from the issuance of Common Shares to Eligible Policyholders under the Conversion Plan.

Dividend Policy: Initially, the Company anticipates paying quarterly cash dividends estimated to be $0.125 per Common Share. The Company's first cash dividend, which will be for the period from and including the Closing Date to December 31, 2021 and for the full first quarter ending March 31, 2022, is expected to be paid on or about March 31, 2022 to Shareholders of record on March 15, 2022 and is estimated to be $0.175 per Common Share ($0.05 in respect of the period from and including the expected Closing Date to December 31, 2021 and $0.125 in respect of the full first quarter ending March 31, 2022).

Common Shares Outstanding: Based on the assumptions set out under the heading "General Matters" in the final base PREP prospectus, immediately following the completion of the Offering and the Cornerstone Private Placements, an aggregate of 103,975,778 Common Shares will be issued and outstanding and, if the Over-Allotment Option is exercised in full and the HOOPP Over-Allotment Private Placement is completed, an aggregate of 115,892,700 Common Shares will be issued and outstanding. The actual number of issued and outstanding Common Shares may be more or less if any of those assumptions change.

Lock-Up Agreements and Other Transfer Restrictions: In connection with the completion of the Offering, each of the Company, the Cornerstone Investors, as well as the Company's directors and executive officers have agreed that he, she or it will not, directly or indirectly, without the prior written consent of BMO and RBC, on behalf of the Underwriters, such consent not to be unreasonably withheld, issue, offer or sell or grant any option, warrant or other right to purchase or agree to issue or sell or otherwise lend, transfer, assign, pledge or dispose of any of our equity securities, or other securities convertible or exchangeable into or otherwise exercisable into our equity securities (including without limitation by making any short sale, engaging in any hedging, monetization or derivative transaction or entering into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of our securities or securities convertible into, exchangeable for, or otherwise exercisable into our securities) or agree to do any of the foregoing or publicly announce any intention to do any of the foregoing in a public offering, by way of private placement or otherwise for a period commencing on the Closing Date and ending 180 days after the Closing Date, subject to certain limited exceptions (the "**Lock-Up Agreements**").

To prevent the sale of substantial amounts of Common Shares in an uncontrolled manner in the period following the Offering, which could negatively impact outside investor confidence and the price that the Common Shares might otherwise trade at after the Offering, the Conversion Plan provides that Eligible Policyholders who receive Common Shares as Demutualization benefits shall not, directly or indirectly, (i) sell, offer to sell, grant any option, warrant or other right to purchase or otherwise lend, secure, pledge, transfer, assign, dispose of or monetize such Common Shares (including, without limitation, by way of a short sale, put option or call option), (ii) enter into any swap or any form of agreement or arrangement the consequence of which is to transfer to another, in whole or in part, any of the economic consequences of ownership of such Common Shares, whether any such swap, agreement or arrangement is to be settled by delivery of Common Shares, in cash or otherwise, (iii) agree to or publicly announce any intention to do any of the foregoing, or (iv) act jointly or in concert with any third party with respect to any of the foregoing matters, for 180 days following the later of the effective date of the Demutualization and the closing of the Offering, unless permitted by the Company (however, the Company has agreed with the Underwriters that it will only permit certain types of transfers without the prior written consent of BMO and RBC, on behalf of the Underwriters).

Pursuant to the Governance Agreements, HOOPP and Swiss Re will be subject to a five year lock-up period and a three year lock-up period, respectively, subject in each case to certain exceptions and to the early termination of such lock-up period in certain circumstances, as well as other restrictions on transfer.

Form of Offering:	Marketed public offering by way of a PREP prospectus filed in all provinces and territories of Canada. Private placement into the U.S. via Rule 144A and internationally as permitted. A copy of the final base PREP prospectus and the supplemented PREP prospectus are available on www.sedar.com.
Listing:	The Common Shares have been conditionally approved for listing on the TSX under the symbol “DFY”. Listing is subject to the Company fulfilling all of the requirements of the TSX.
Eligibility:	Eligible for RRSPs, RRIFs, RESPs, TFSAs, RDSPs and DPSPs.
Joint Bookrunners:	BMO Capital Markets, RBC Capital Markets, Barclays, Scotiabank and TD Securities Inc.
Commission:	4.50%
Closing:	Expected November 23, 2021

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