

UNDERWRITING AGREEMENT

November 17, 2021

Definity Financial Corporation
111 Westmount Road South
Waterloo, Ontario

- and -

Economical Mutual Insurance Company
111 Westmount Road South
Waterloo, Ontario

Attention: Mr. Rowan Saunders, President and Chief Executive Officer

Ladies and Gentlemen:

BMO Nesbitt Burns Inc. (“**BMO**”), RBC Dominion Securities, Inc. (“**RBC**”), Barclays Capital Canada Inc. (“**Barclays**”), Scotia Capital Inc. (“**Scotia**”) and TD Securities Inc. (“**TD**” and together with BMO, RBC, Barclays and Scotia the “**Joint Bookrunners**”), CIBC World Markets Inc., National Bank Financial Inc., UBS Securities Canada Inc., Desjardins Securities Inc., Raymond James Ltd., Canaccord Genuity Corp. and Cormark Securities Inc. (collectively with the Joint Bookrunners, the “**Underwriters**”) understand that Definity Financial Corporation (the “**Company**”) proposes to issue and sell to the Underwriters an aggregate of 63,636,370 Shares (the “**Firm Shares**”).

Upon and subject to the terms and conditions contained in this Agreement, the Underwriters hereby severally and not jointly offer to purchase from the Company (as defined below) in the respective percentages set out in Section 20, and the Company hereby agrees to issue and sell to the Underwriters, at the Closing Time (as defined below), all but not less than all of the Firm Shares, at a purchase price of \$22.00 per Firm Share, being an aggregate purchase price of \$1,400,000,140.

The Company hereby grants to the Underwriters (in accordance with the percentages set forth in Section 20) an over-allotment option (the “**Over-Allotment Option**”), for the purposes of covering over-allocations, if any, to purchase severally and not jointly and offer for sale pursuant hereto, up to an aggregate of 9,545,455 additional Shares (the “**Additional Shares**”, and together with the Firm Shares, the “**Offered Shares**”), at a purchase price of \$22.00 per Additional Share, being an aggregate purchase price of up to an additional \$210,000,010, upon the terms and conditions set forth herein. The Over-Allotment Option may be exercised in whole or in part at any time and from time to time for a period of 30 days following the Closing Date (as defined below) by the Joint Bookrunners, on behalf of the Underwriters, by giving written notice to the Company in accordance with Section 13(a).

The Underwriters propose to distribute the Offered Shares in each of the provinces and territories of Canada (collectively, the “**Qualifying Jurisdictions**”) pursuant to the Supplemented Prospectus (as defined below) and in the United States on a private placement basis through the Underwriters’ U.S.-registered broker-dealer affiliates in accordance with Schedule B attached hereto and internationally as permitted.

In consideration of the Underwriting services of buying and distributing the Offered Shares (including, if applicable, the Additional Shares), and other ancillary services related thereto, the Company hereby agrees to pay or cause to be paid to the Underwriters at the Closing Time an aggregate fee equal to 4.50% of the aggregate purchase price for the Firm Shares, and, if applicable, the Company agrees to pay or cause to be paid to the Underwriters at the Over-Allotment Option Closing Time (as defined below) an aggregate fee equal to 4.50% of the aggregate purchase price for the Additional Shares, in each case exclusive of federal goods and services tax, harmonized sales tax and provincial sales tax, if any, and less any amounts to be reimbursed by the Underwriters to the Company pursuant to Section 17(e) (collectively, the “**Underwriting Fee**”). The Underwriting Fee shall be inclusive of a work fee equal to 9.0% of the Underwriting Fee, payable 35.2% to BMO, 29.4% to RBC, 11.8% to Barclays, 11.8% to Scotia and 11.8% to TD.

The Underwriters understand that Economical Insurance (as defined below) is in the process of carrying out the Demutualization (as defined below) pursuant to which, among other things, Economical Insurance (1) will cease to be a mutual company without share capital and will become a company with share capital and (2) will become a wholly-owned subsidiary of the Company, in each case accordance with the terms of the Conversion Plan (as defined below). The Demutualization will become effective at 12:01 a.m. (Toronto time) (the “**Effective Time**”) on the Closing Date.

The Underwriters further understand that (a) Healthcare of Ontario Pension Plan (“**HOOPP**”) has agreed to purchase, in two tranches, an aggregate number of Shares that will be equal to 19.9% of the issued and outstanding Shares (on a non-diluted basis and excluding the issuance of 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 (the “**HOOPP Offering Shares**”), pursuant the HOOPP Subscription Agreement (as defined in the Base Prospectus) and has also agreed that, in the event that any Shares are issued to the Underwriters pursuant to the exercise of the Over-Allotment Option, HOOPP will purchase such additional number of Shares (the “**HOOPP Over-Allotment Shares**”) that, when added to the HOOPP Offering Shares, will be equal to 19.9% of the issued and outstanding Shares (on a non-diluted basis) after taking into account the issuance of Shares to the Underwriters pursuant to the exercise of the Over-Allotment Option and the issuance of such additional Shares to HOOPP; and (b) Swiss Re Investments Holding Company Ltd (“**Swiss Re**”) has agreed to purchase, concurrently with the Closing, an aggregate number of Shares equal to the quotient determined by dividing (x) the Canadian dollar equivalent of US\$200,000,000 by (y) the Offering Price (as defined in the Base Prospectus), on the terms and conditions set forth in the Swiss Re Subscription Agreement (as defined in the Base Prospectus) (the “**Swiss Re Offering Shares**”).

1. Interpretation

(a) For the purposes of this Agreement, unless the context otherwise requires, the following terms shall have the respective meanings set out below and grammatical variations of such terms shall have corresponding meanings:

“**Additional Shares**” has the meaning given to that term in the third paragraph of this Agreement;

“**affiliate**” means, in respect of any specified person, any other person which directly or indirectly controls, is controlled by, or is under common control with, such specified

person. For purposes of this definition, “control” is the power, directly or indirectly, to direct the management and policies of a person, whether through ownership of voting securities, by contract or otherwise, and “controlled by” has a similar meaning;

“**Agreement**” means this underwriting agreement;

“**Amended Preliminary Prospectus**” means the amended and restated preliminary long form base PREP prospectus of the Company (in both the English and French languages unless the context otherwise requires) dated November 5, 2021 and filed in each of the Qualifying Jurisdictions relating to the qualification for distribution of the Offered Shares under Securities Laws;

“**Anti-Money Laundering Laws**” has the meaning given to that term in Section 8(mmm);

“**Auditor**” means Ernst & Young LLP, the auditor of the Company and Economical Insurance;

“**Authorization**” means any certificate, consent, order, permit, approval, waiver, licence, qualification, registration or similar authorization of any Governmental Authority having jurisdiction over a person;

“**Base Prospectus**” means the (final) long form base PREP prospectus of the Company (in both the English and French languages unless the context otherwise requires) dated November 17, 2021 (omitting the PREP Information in accordance with the PREP Procedures) and filed in each of the Qualifying Jurisdictions relating to the qualification for distribution of the Offered Shares under Securities Laws;

“**Beneficiaries**” has the meaning given to that term in Section 15(g);

“**Business**” means the business carried on by the Company Group, as more particularly described in the Offering Documents;

“**Business Day**” means a day, other than a Saturday, Sunday or a day on which chartered banks are not open for business in Toronto, Ontario;

“**CDS**” means CDS Clearing and Depository Services Inc.;

“**Claim**” has the meaning given to that term in Section 15(a);

“**Claimant**” has the meaning given to that term in Section 15(b);

“**Closing**” means the completion of the issuance and sale by the Company, and the purchase by the Underwriters, of the Firm Shares pursuant to the terms and conditions of this Agreement;

“**Closing Date**” means November 23, 2021 or such earlier or later date as may be agreed to in writing by the Company and the Underwriters, but in any event not later than December 3, 2021;

“**Closing Time**” means 8:00 a.m. (Toronto time) on the Closing Date, or any other time on the Closing Date as may be agreed to by the Company and the Underwriters;

“Company Group” means, prior to the Effective Time, Economical Insurance and its Subsidiaries, including the Company, and after the Effective Time, the Company and its Subsidiaries, including Economical Insurance;

“Company Securities” has the meaning given to that term in Section 14(a);

“Continuance” has the meaning given to that term in Base Prospectus;

“Continuing Underwriters” has the meaning given to that term in Section 20(b);

“Contract” means any agreement, indenture, mortgage, contract, lease, deed of trust, licence, option, warrant, note agreement, loan agreement, instrument, collective agreement, evidence of indebtedness or other binding commitment or understanding, whether written or oral;

“Conversion Plan” means the proposal to convert Economical Insurance into a company with share capital prepared in accordance with section 13 of the Demutualization Regulations and approved in accordance with section 237 of the ICA by: (i) the eligible policyholders of Economical Insurance at a special meeting of eligible policyholders held on May 20, 2021, and (ii) the Minister on November 5, 2021;

“Cornerstone Conditions” means the conditions to closing of each of the Cornerstone Private Placements (other than those conditions that by their terms are to be satisfied at the closing thereof) pursuant to the terms of the Subscription Agreements;

“Cornerstone Investor Shares” means the HOOPP Offering Shares, the HOOPP Over-Allotment Shares and the Swiss Re Offering Shares;

“Cornerstone Investors” means HOOPP and Swiss Re;

“Cornerstone Private Placements” has the meaning given to that term in Base Prospectus;

“Correcting Prospectus” has the meaning given to that term in Section 15(b);

“Credit Agreement” means the senior unsecured credit agreement dated as of July 22, 2021 among Economical Insurance, Royal Bank of Canada, as administrative agent, RBC Capital Markets and TD Securities Inc., as co-lead arrangers and joint bookrunners, Bank of Montreal and The Bank of Nova Scotia, as co-syndication agents and co-documentation agents, and the financial institutions from time to time party thereto, as lenders;

“Defaulted Shares” has the meaning given to that term in Section 20(b);

“Definity Financial Statements” means (i) the audited consolidated financial statements of the Company as at and for the period from June 30, 2021 (incorporation) to August 6, 2021, including the notes thereto and the Auditor’s report thereon; and (ii) the audited consolidated financial statements of the Company as at and for the period from June 30, 2021 (incorporation) to September 30, 2021, including the notes thereto and the Auditor’s report thereon;

“Demutualization” has the meaning given to that term in Base Prospectus;

“Demutualization Regulations” means the *Mutual Property and Casualty Insurance Company with Non-mutual Policyholders Conversion Regulations*, SOR/2015-168, enacted on July 1, 2015 and issued pursuant to sections 237(2) to 237(3) and section 1021 of the ICA;

“distribution” means “distribution” or “distribution to the public”, as the case may be, for the purposes of Securities Laws in the Qualifying Jurisdictions and the U.S. Securities Laws in the United States;

“Distribution Period” means the period commencing on the date hereof and ending on the later to occur of (i) the time that the distribution of the Offered Shares has ceased, and (ii) the Closing Time;

“Economical Financial Statements” means (i) the audited consolidated financial statements of Economical Insurance as at December 31, 2020 and 2019 and for the years ended December 31, 2020, 2019 and 2018, including the notes thereto and the Auditor’s report thereon; (ii) the unaudited interim condensed consolidated financial statements of Economical Insurance as at June 30, 2021 and for the three and six months ended June 30, 2021 and June 30, 2020, including the notes thereto; and (iii) the unaudited interim condensed consolidated financial statements of Economical Insurance as at September 30, 2021 and for the three and nine months ended September 30, 2021 and September 30, 2020, including the notes thereto;

“Economical Insurance” means, prior to the Effective Time, Economical Mutual Insurance Company, a mutual company without share capital existing under the ICA, and after the Effective Time, such company with share capital existing under the ICA that Economical Mutual Insurance Company converts into in accordance with the terms of the Conversion Plan;

“Effective Time” has the meaning given to that term in the sixth paragraph of this Agreement;

“Eligible Policyholders” has the meaning given to that term in the Conversion Plan;

“Employee Plans” means any plan for retirement, bonus, stock purchase, profit sharing, stock option, deferred compensation, severance or termination pay, insurance, medical, hospital, dental, vision care, drug, sick leave, disability, salary continuation, legal benefits, unemployment benefits, vacation, incentive or otherwise contributed to, or required to be contributed to, by the Company Group for the benefit of any current or former director, officer, employee or consultant of the Company Group;

“engagement letter” means collectively: (i) the letter agreement between Economical Insurance and BMO pertaining to the Offering, (ii) the letter agreement between Economical Insurance and RBC pertaining to the Offering, (iii) the letter agreement between Economical Insurance and Barclays pertaining to the Offering, (iv) the letter agreement between Economical Insurance and Scotia pertaining to the Offering and (v) the letter agreement between Economical Insurance and TD pertaining to the Offering, each as amended, modified or supplemented as of the date hereof;

“Environmental Laws” means all Laws relating to pollution or occupational health and safety, the environment or wildlife, including Laws relating to the release or threatened

release of Hazardous Materials or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials;

“Exchange” means the Toronto Stock Exchange;

“Financial Information” means: (i) the sections in the Supplemented Prospectus entitled “Supplementary Financial Measures and Non-GAAP Financial Measures and Ratios”, “Selected Summary Consolidated Financial Information”, “Selected Consolidated Financial Information” and “Consolidated Capitalization”; and (ii) the Financial Statements, together with the Company’s management’s discussion and analysis of financial condition and results of operations in respect of the Financial Statements;

“Financial Statements” means: (i) the Economical Financial Statements; (ii) Definity Financial Statements; and (iii) Pro Forma Financial Statements, in each case, as included in the Offering Documents;

“Firm Shares” has the meaning given to that term in the first paragraph of this Agreement;

“Governance Agreements” has the meaning given to that term in Base Prospectus;

“Governmental Authority” means any: (i) multinational, federal, provincial, state, territorial, municipal, local or other governmental or public department, regulatory authority, central bank, court, commission, board, bureau, ministry, agency or instrumentality, domestic or foreign, and includes the Securities Commissions, OSFI and the Minister; (ii) any subdivision or authority of any of the foregoing; (iii) 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, including the Exchange, the Investment Industry Regulatory Organization of Canada (IIROC) and any Regulatory Body; or (iv) any arbitrator exercising jurisdiction over the affairs of the applicable person, asset, obligation or other matter;

“HOOPP” has the meaning given to that term in the seventh paragraph of this Agreement;

“HOOPP Offering Shares” has the meaning given to that term in the seventh paragraph of this Agreement;

“HOOPP Over-Allotment Shares” has the meaning given to that term in the seventh paragraph of this Agreement;

“ICA” means the *Insurance Companies Act*, S.C. 1991, c. 47;

“IFRS” means International Financial Reporting Standards, as issued by the International Accounting Standards Board and as adopted by the Chartered Professional Accountants of Canada in Part I of The CPA Canada Handbook – Accounting;

“Incentive Plans” means the Stock Option Plan, MTIP, LTIP, Executives’ DSU Plan and Directors’ DSU Plan (each as defined in the Base Prospectus);

“Indemnified Parties” has the meaning given to that term in Section 15(a);

“Indemnifying Parties” has the meaning given to that term in Section 15(a);

“Insurance Laws” means Laws applicable to property and casualty insurance companies operating in any province or territory of Canada, including the ICA, the Demutualization Regulations and any other Laws applicable to the Demutualization and the other actions contemplated by the Conversion Plan or the Cornerstone Private Placements, other than Laws of general application without regard to industry or sector;

“Insurance Licences” has the meaning given to that term in Section 8(b)(iii);

“Intellectual Property” means: (i) any trademarks, trade names, business names, brand names, service marks, computer software, computer programs, copyrights, including any performing, author or moral rights, designs, inventions, patents, franchises, formulas, processes, know-how, technology, and related goodwill; (ii) any applications, registrations, issued patents, continuations in part, divisional applications or analogous rights or licence rights therefor; and (iii) all other intellectual or industrial property;

“Investor Presentation” means (i) the template version of the investor presentation regarding the Offering dated October 13, 2021, and (ii) the template version of the investor presentation regarding the Offering dated November 8, 2021, each filed by the Company with the Securities Commissions;

“Joint Bookrunners” has the meaning given to that term in the first paragraph of this Agreement;

“Laws” means any and all applicable laws, including all statutes, codes, ordinances, decrees, rules, regulations, municipal by-laws, judicial or arbitral or administrative or ministerial or departmental or regulatory judgments, orders, decisions, rulings or awards, or policies or guidelines of (or issued by) any Governmental Authority (including OSFI and the Minister), or Authorizations binding on or affecting the person referred to in the context in which the word is used and includes Insurance Laws and Environmental Laws;

“Leased Property” has the meaning given to it in Section 8(ddd);

“Letters Patent of Conversion” means the letters patent of conversion to be issued by the Minister to effect the Conversion Plan pursuant to paragraph 237(1)(b) of the ICA;

“Lien” means any mortgage, charge, pledge, hypothecation, security interest, assignment, lien (statutory or otherwise), right of set-off, title retention agreement or arrangement, restrictive covenant or other encumbrance of any nature, or any other arrangement or condition creating an interest in property which, in substance, secures payment or performance of an obligation, or any Contract to create any of the foregoing;

“limited-use version” has the meaning given to that term in NI 41-101;

“Lock-up Agreement” has the meaning given to it in Section 11(k);

“Lock-up Parties” has the meaning given to it in Section 11(k);

“Marketing Documents” means, collectively, (i) the Investor Presentation; (ii) the Term Sheet; and (iii) all other marketing materials (including any template version or limited use version thereof) approved in writing in accordance with Section 6(a) and provided to a potential investor in connection with the distribution of the Offered Shares;

“marketing materials” has the meaning given to that term in NI 41-101;

“Material Adverse Effect” means any effect, change, event, circumstance or occurrence that (i) is or is reasonably likely to be materially adverse to the business, operations, assets (including intangible assets), liabilities (contingent or otherwise), financial condition, cash flows, income, results of operations or capital of the Company Group, taken as a whole, or (ii) would result in the Preliminary Prospectus, the Amended Preliminary Prospectus, the Base Prospectus, the Supplemental Prospectus, any Prospectus Amendment or the U.S. Private Placement Memorandum or any amendment or supplement thereto containing a misrepresentation;

“material change” has the meaning given to it under the *Securities Act* (Ontario), unless the context otherwise requires;

“material fact” means a material fact with respect to the Company or the Offered Shares for the purposes of Securities Laws or any of them or, where undefined under securities Laws of a jurisdiction, means a fact that would reasonably be expected to have a significant effect on the market price or value of the Offered Shares;

“Material Market Conduct Claim” means any notice of material non-compliance with applicable Law received from a Governmental Authority that, with respect to the foregoing, relates in material part to: (i) a material misrepresentation or material failure of the Company, Economical Insurance or any Significant Subsidiary to accurately describe the nature, provisions, financial elements or benefits of any insurance policy; or (ii) a material violation of applicable Law relating to the sale, marketing, claims handling or servicing of any insurance policy by the Company, Economical Insurance or any Significant Subsidiary;

“Minister” means the Minister of Finance (Canada);

“misrepresentation” means a misrepresentation for the purposes of Securities Laws or any of them or, where undefined under securities Laws of a jurisdiction, means (i) an untrue statement of a material fact, or (ii) an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made;

“Misrepresentation Claim” has the meaning given to that term in Section 15(b);

“NI 41-101” means National Instrument 41-101 – *General Prospectus Requirements*;

“NI 44-103” means National Instrument 44-103 – *Post-Receipt Pricing*;

“NI 51-102” means National Instrument 51-102 – *Continuous Disclosure Obligations*;

“NI 52-107” means National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards*;

“NI 52-109” means National Instrument 52-109 – *Certification of Disclosure in Issuers’ Annual and Interim Filings*;

“Offered Shares” has the meaning given to that term in the third paragraph of this Agreement;

“Offering” means the distribution of the Offered Shares contemplated herein;

“Offering Documents” means, collectively, the Preliminary Prospectus, the Amended Preliminary Prospectus, the Base Prospectus, the Supplemented Prospectus, any Supplementary Material and, in connection with any offering of the Offered Shares in the United States, the Preliminary U.S. Private Placement Memorandum and the U.S. Private Placement Memorandum;

“OSFI” means Office of the Superintendent of Financial Institutions;

“Ordinary Course” means, with respect to an action taken by a person, that the action is consistent in all material respects with past practices of the person and is taken in the ordinary course of the normal day-to-day operations of the person;

“Over-Allotment Option” has the meaning given to that term in the third paragraph of this Agreement;

“Over-Allotment Option Closing Date” means the date, which shall be a Business Day, as set out in an Over-Allotment Option Notice, on which the closing of the transactions related to the purchase and sale of the number of Additional Shares set out in an Over-Allotment Option Notice shall occur or such other date that the Company and the Underwriters may agree upon in writing;

“Over-Allotment Option Closing Time” means 8:00 a.m. (Toronto time) on the Over-Allotment Option Closing Date, or any other time on the Over-Allotment Option Closing Date as may be agreed to by the Company and the Underwriters;

“Over-Allotment Option Notice” has the meaning given to it in Section 13(a);

“Owned Property” has the meaning given to it in Section 8(ddd);

“Passport System” means the passport system procedures described in Multilateral Instrument 11-102 – *Passport System* and National Policy 11-202 – *Process for Prospectus Reviews in Multiple Jurisdictions*;

“Permitted Liens” means (i) Liens for Taxes and other governmental charges and assessments not yet due or delinquent or being contested in good faith by appropriate proceedings, (ii) Liens imposed by Law that are incurred in the ordinary course for obligations not yet due or delinquent, and (iii) Liens in respect of pledges or deposits under workers’ compensation, social security or similar Laws, other than with respect to any amounts which are due or delinquent, unless such amounts are being contested in good faith by appropriate proceedings;

“person” will be broadly construed and includes any individual, general partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation (with or without share capital), joint stock company, association, trust, trust company, bank, pension company, trustee, executor, administrator or other legal personal

representative, regulatory body or agency, Governmental Authority or other organization or entity, whether or not a legal entity, however designated or constituted;

“Preliminary Prospectus” means the preliminary long form base PREP prospectus of the Company (in both the English and French languages unless the context otherwise requires) dated August 27, 2021 and filed in each of the Qualifying Jurisdictions relating to the qualification for distribution of the Offered Shares under Securities Laws;

“Preliminary U.S. Private Placement Memorandum” means each preliminary U.S. private placement memorandum in respect of (i) the Preliminary Prospectus, (ii) the Amended Preliminary Prospectus and (iii) the Base Prospectus (which shall include the Preliminary Prospectus, the Amended Preliminary Prospectus and the Base Prospectus, as applicable), each dated as of the date of the Preliminary Prospectus, the Amended Preliminary Prospectus or the Base Prospectus, as applicable, describing the terms of the offering of the Offered Shares in the United States;

“PREP Information” means the information included in the Supplemented Prospectus that is omitted from the Base Prospectus but that is deemed under the PREP Procedures to be incorporated by reference into the Base Prospectus as of the date of the Supplemented Prospectus;

“PREP Procedures” means the procedures for post-receipt pricing under NI 44-103;

“Principal Regulator” means the Ontario Securities Commission;

“Privacy Laws” has the meaning given to that term in Section 8(ggg);

“Pro Forma Financial Statements” means (i) the unaudited *pro forma* consolidated balance sheet of the Company as at June 30, 2021 and unaudited condensed *pro forma* consolidated statements of comprehensive income for the year ended December 31, 2020 and for the six months ended June 30, 2021, together with the notes thereto, as included in the Offering Documents; and (ii) the unaudited *pro forma* consolidated balance sheet of the Company as at September 30, 2021 and unaudited condensed *pro forma* consolidated statements of comprehensive income for the year ended December 31, 2020 and for the nine months ended September 30, 2021, together with the notes thereto, as included in the Offering Documents;

“Prospectus Amendment” means any amendment to the Base Prospectus or the Supplemented Prospectus that may be filed by or on behalf of the Company under Securities Laws relating to the qualification for distribution of the Offered Shares under Securities Laws;

“Qualifying Jurisdictions” has the meaning given to that term in the fourth paragraph of this Agreement;

“Refusing Underwriter” has the meaning given to that term in Section 20(b);

“Related Agreements” means the Subscription Agreements and the Governance Agreements;

“Rule 144A” has the meaning given to that term in Schedule B;

“Sanctions” has the meaning given to that term in Section 8(ooo);

“Securities Commissions” means, collectively, the securities commission or securities regulatory authority in each of the Qualifying Jurisdictions;

“Securities Laws” means, collectively, the applicable securities Laws of each of the Qualifying Jurisdictions and the respective regulations and rules made under those securities Laws together with all applicable published policy statements, instruments, notices, 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;

“Selling Firm” has the meaning given to that term in Section 3(a)(i);

“Share Benefits” means the Demutualization Benefits (as defined in the Conversion Plan) to be distributed in the form of Shares to certain Eligible Policyholders pursuant to the terms of the Conversion Plan;

“Shares” means common shares of the Company;

“Significant Subsidiary” means each of the Subsidiaries listed in Schedule A;

“Standard Listing Conditions” has the meaning given to that term in Section 4(b)(ii);

“Subscription Agreement” has the meaning given to that term in Base Prospectus;

“Subsidiary” (a) means any of the following: (i) any corporation of which securities, having by the terms thereof ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether at the time securities of any other class or classes of such corporation might have voting power by reason of the happening of any contingency, unless the contingency has occurred and then only for as long as it continues), are at the applicable time directly, indirectly or beneficially owned or controlled by the Company, Economical Insurance or one or more of their respective Subsidiaries, or the Company, Economical Insurance and one or more of their Subsidiaries; (ii) any partnership of which the Company, Economical Insurance or one or more of their respective Subsidiaries, or the Company, Economical Insurance and one or more of their respective Subsidiaries (A) directly, indirectly or beneficially own or control more than 50% of the income, capital, beneficial or ownership interest (however designated) thereof, or (B) is a general partner, in the case of a limited partnership, or is a partner that has the authority to bind the partnership in all other cases; and (iii) any other person of which at least a majority of the income, capital, beneficial or ownership interest (however designated) is at the time directly, indirectly or beneficially owned or controlled by the Company, Economical Insurance or one or more of their respective Subsidiaries or the Company, Economical Insurance and one or more of their respective Subsidiaries;

“Supplementary Material” means any Prospectus Amendment, and, in connection with any offering of the Offered Shares in the United States, any amendment or supplement to the Preliminary U.S. Private Placement Memorandum or the U.S. Private Placement Memorandum, and any ancillary materials (including Marketing Documents) that may be filed by or on behalf of the Company under Securities Laws relating to the qualification for distribution of the Offered Shares under Securities Laws;

“Supplemented Prospectus” means the (final) long form supplemented PREP prospectus of the Company (in both the English and French languages unless the context otherwise requires) to be filed in each of the Qualifying Jurisdictions relating to the qualification for distribution of the Offered Shares under Securities Laws;

“Survival Date” means the latest of: (i) the date that is three years after the Closing Date; (ii) the date pursuant to applicable Securities Laws that a holder of the Offered Shares may be entitled to commence an action or exercise a right of rescission with respect to a misrepresentation contained in the Supplemented Prospectus or any Prospectus Amendment; and (iii) the date pursuant to the U.S. Securities Laws that a holder of the Offered Shares may be entitled to commence an action with respect to an untrue statement of a material fact contained in the U.S. Private Placement Memorandum or an omission to state in the U.S. Private Placement Memorandum a material fact that is necessary to make a statement contained in the U.S. Private Placement Memorandum, in light of the circumstances in which it was made, not misleading;

“Swiss Re” has the meaning given to that term in the seventh paragraph of this Agreement;

“Swiss Re Offering Shares” has the meaning given to that term in the seventh paragraph of this Agreement;

“Tax” or **“Taxes”** means all governmental taxes, levies, duties, assessments, reassessments, imposts, deductions, withholdings, surtaxes and other charges of any nature whatsoever imposed by any Governmental Authority, whether direct or indirect, whether or not measured in whole or in part by net income, whether imposed on a separate, consolidated, unitary combined or other basis, including: (i) all income taxes (including any tax on or based upon net income, gross income, earnings, profits, gains, wealth, net worth or selected items of income, earnings or profits); (ii) all of the following taxes: capital, intangible, surplus, stamp, corporate, gross receipts, the goods and services taxes and harmonized sales taxes imposed under the *Excise Tax Act* (Canada), the Québec sales tax imposed under the *Act Respecting Québec Sales Tax*, sales, use, value-added, ad valorem, transfer, real or personal property, business, environmental, franchise, license, withholding, payroll, wage, employer health, employment, unemployment, excise, severance, utility, education, compensation and social security; (iii) all workers’ compensation plan premiums, employment insurance premiums, Canada and government pension plan contributions and retirement contributions; (iv) all occupation, premium, registration, property or windfall profits taxes and alternative or add-on minimum taxes; (v) all customs, import or export, anti-dumping or countervailing or excise duties; and (vi) all other taxes, fees, assessments or charges of any kind whatsoever, together with any interest and any penalties or additional amounts imposed by any Governmental Authority, and any interest, penalties, fines, additional taxes and additions to tax imposed with respect to the foregoing;

“Tax Act” means the *Income Tax Act* (Canada);

“Tax Legislation” means the statutes, laws, rules, regulations, orders and decrees of the applicable taxing jurisdiction, domestic or foreign;

“Tax Returns” means any return (including an information return), declaration, election, designation, notice, filing, report, statement, claim for a refund, rebate or credit, amended

return, declaration of estimated Taxes or other document (including any attached schedule and any attached related or supporting information) relating to Taxes required to be filed under any applicable Tax Legislation or filed with any Taxing Authority;

“Taxing Authority” means any Governmental Authority, having jurisdiction over the assessment, determination, collection or other imposition of any Tax;

“template version” has the meaning ascribed thereto under NI 41-101;

“Term Sheet” means the template version of the term sheet in respect of the Offering dated November 8, 2021, as revised on November 17, 2021, each filed by the Company with the Securities Commissions;

“Transactions” means, collectively, the Demutualization and the other actions contemplated by the Conversion Plan, the Offering and the Cornerstone Private Placements;

“Transfer Agent” means Computershare Trust Company of Canada, at its principal office in Toronto, Ontario;

“Underwriters” has the meaning given to that term in the first paragraph of this Agreement;

“Underwriters’ Information” means any information or statement relating solely to the Underwriters contained in any of the Offering Documents that has been provided in writing by the Underwriters to the Company for use in any of such Offering Documents, it being understood and agreed that the only such information furnished by the Underwriters consists of the following information: their respective names and the information related to stabilizing transactions, over-allotment transactions and syndicate covering transactions contained under the sub-heading “Price Stabilization, Short Positions and Passive Market Making” in the section titled “Plan of Distribution” and related disclosure on the cover page of each of the Preliminary Prospectus, the Amended Preliminary Prospectus, the Base Prospectus and the Supplemented Prospectus;

“Underwriting Fee” has the meaning given to that term in the fifth paragraph of this Agreement;

“United States” means the United States of America and all of its territories and possessions, any state of the United States and the District of Columbia;

“U.S. Private Placement Memorandum” means the U.S. private placement memorandum in respect of the Supplemented Prospectus (which shall include the Supplemented Prospectus), dated as of the date of the Supplemented Prospectus, which describes the terms of the offering of the Offered Shares in the United States;

“U.S. Securities Act” has the meaning given to that term in Schedule B; and

“U.S. Securities Laws” means the U.S. federal securities laws, including the U.S. Securities Act and applicable state securities laws.

(b) Except as may be otherwise specifically provided in this Agreement and unless the context otherwise requires, in this Agreement:

- (i) the terms “Agreement”, “this Agreement”, “hereto”, “hereof”, “herein”, “hereby”, “hereunder” and similar expressions refer to this Agreement in its entirety and not to any particular provision hereof;
- (ii) references to a “Section” or “Schedule” followed by a number or letter refer to the specified Section of or Schedule to this Agreement;
- (iii) the division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement;
- (iv) words importing the singular number only shall include the plural and *vice versa* and words importing the use of any gender shall include all genders;
- (v) the word “including” is deemed to mean “including without limitation”;
- (vi) the terms “party” and “the parties” refer to a party or the parties to this Agreement;
- (vii) any reference to the “**knowledge of**” the Company or Economical Insurance or any other terms of similar import means the actual knowledge of any of Rowan Saunders, Philip Mather, Fabian Richenberger, Paul MacDonald and Innes Dey, in each case after reasonable inquiry;
- (viii) any reference to any Contract, including this Agreement, means such Contract as amended, modified, replaced or supplemented from time to time;
- (ix) any reference to a statute, regulation or rule shall be construed to be a reference thereto as the same may from time to time be amended, re-enacted or replaced, and any reference to a statute shall include any regulations or rules made thereunder; and
- (x) all dollar amounts refer to Canadian dollars.

2. Filing of Supplemented Prospectus and Certain Other Obligations of the Company

(a) The Company will fulfill to the satisfaction of the Underwriters, acting reasonably, all legal requirements of Securities Laws and applicable U.S. Securities Laws, and will take all other commercially reasonable steps and proceedings that may be necessary, in order to enable the Offered Shares to be offered and sold (i) to the public in each of the Qualifying Jurisdictions by the Underwriters and other persons who are registered in a category permitting them to distribute the Offered Shares therein under Securities Laws and who comply with such Securities Laws, and (ii) in the United States by the Underwriters, acting through their U.S. Affiliates (as defined in Schedule B), in accordance Schedule B, to Qualified Institutional Buyers (as defined in Schedule B) in accordance with Rule 144A and in accordance with applicable state securities laws.

(b) Each of the Company and, in respect of the time period prior to the existence of the Company, Economical Insurance, represents and warrants to the Underwriters that it, as applicable, has prepared and filed the Preliminary Prospectus, the Amended Preliminary Prospectus and the Base Prospectus, in the English and French languages, with the Securities Commissions and has obtained receipts issued by the Principal Regulator in its capacity as principal regulator under the Passport System evidencing (x) the issuance of a receipt by the Principal Regulator, and (y) the deemed issuance of a receipt by the Securities Commissions in each of the Qualifying Jurisdictions other than that of the Principal Regulator, for each of the Preliminary Prospectus, the Amended Preliminary Prospectus and the Base Prospectus. The Company will have, by no later than 8:00 a.m. (Toronto time) on November 18, 2021 prepared and filed the Supplemented Prospectus with the Securities Commissions, in the English and French languages, setting forth the PREP Information (in a form approved by the Underwriters, acting reasonably).

(c) Each of the Company and Economical Insurance will co-operate in all respects with the Underwriters to allow and assist the Underwriters to participate fully in the preparation of the Supplemented Prospectus, the U.S. Private Placement Memorandum and any Supplementary Material prior to its filing with a Securities Commission or delivery to prospective investors and, until the end of the Distribution Period, the Company and Economical Insurance will allow the Underwriters to conduct all due diligence investigations which the Underwriters may reasonably require to (i) fulfill the Underwriters' obligations as an underwriter under Securities Laws and, to the extent applicable, U.S. Securities Laws, (ii) enable the Underwriters to avail themselves of a defence to any claim for misrepresentation in the Preliminary Prospectus, the Amended Preliminary Prospectus, the Base Prospectus, the Supplemented Prospectus, any Prospectus Amendment or any other Supplementary Material, and (iii) enable the Underwriters to execute responsibly any certificate required to be executed by the Underwriters relating to any such documentation. The Company will not file the Supplemented Prospectus unless it has first been provided to all of the Underwriters for their review and approval.

(d) Until the Distribution Period has ended, each of the Company and Economical Insurance will promptly take, or cause to be taken, all additional steps and proceedings which may from time to time be required under Securities Laws to continue to qualify the distribution of the Offered Shares in the Qualifying Jurisdictions or, if the distribution has for any reason ceased to be so qualified in any Qualifying Jurisdiction, to again qualify the distribution of the Offered Shares in each such Qualifying Jurisdiction.

3. Distribution and Certain Obligations of the Underwriters

(a) Each of the Underwriters hereby represents, warrants and covenants to the Company, on a several basis (and not on a joint and several basis), that during the course of the distribution of the Offered Shares:

- (i) it will offer the Offered Shares to the public, either directly or through other persons or companies appointed by it who are registered in an appropriate category of registration (each, a "**Selling Firm**"), only in those jurisdictions where they may be lawfully offered for sale or sold and in compliance with Securities Laws and upon the terms and conditions set forth in this Agreement;
- (ii) it will not solicit offers to purchase the Offered Shares and will not deliver any Offering Document, in each case in any jurisdiction (other than the

Qualifying Jurisdictions) so as to (A) require the registration of those Offered Shares or the Offering or the filing of a prospectus or compliance with other similar requirements with respect thereto under the Laws of any such jurisdiction, or (B) subject the Company to reporting obligations in any such jurisdiction under the Laws of any such jurisdiction;

- (iii) it will cause similar undertakings to be contained in any sub-underwriting, banking group or selling group agreement or similar arrangement that may be entered into by such Underwriter with a Selling Firm for the distribution of the Offered Shares, and will use its commercially reasonable efforts to cause each such Selling Firm to comply with Securities Laws in connection with the distribution of the Offered Shares;
- (iv) it will use its commercially reasonable efforts to complete, and to cause the Selling Firms appointed by it, if any, to complete, the distribution of Offered Shares as soon as practicable;
- (v) it will use its commercially reasonable efforts to complete, and to cause the Selling Firms appointed by it, if any, to complete, the distribution of the Firm Shares in such a manner that the minimum distribution requirements for the initial listing and posting for trading of the Shares on the Exchange are satisfied;
- (vi) any offer of Offered Shares in the United States will be made in accordance with U.S. Securities Laws and with Schedule B, which is incorporated by reference herein and made a part hereof; and
- (vii) any person in the United States who is offered any Offered Shares in accordance with Schedule B will be provided with a copy of each Preliminary U.S. Private Placement Memorandum (as applicable) and the U.S. Private Placement Memorandum, in a form to be mutually agreed upon by the Company and the Underwriters, acting reasonably.

(b) Each Underwriter shall be permitted to appoint, at its sole expense, additional Selling Firms as its agents in connection with the Offering and such Underwriter may determine the remuneration payable to any such Selling Firm.

(c) BMO, on behalf of the Underwriters, will promptly notify the Company in writing when, in the Underwriters' opinion, the Underwriters and the Selling Firms, if any, have ceased distribution of the Offered Shares and, promptly after ceasing distribution, will provide the Company with a written breakdown of the aggregate principal amount of Offered Shares distributed in each Qualifying Jurisdiction where that breakdown is required by its Securities Commission under Securities Laws.

(d) For the purposes of this Section 3, each Underwriter and Selling Firm will be entitled to assume that the distribution of the Offered Shares is qualified in each Qualifying Jurisdiction unless and until such time, if any, following the execution of this Agreement, the Underwriters receive written notice to the contrary from the Company or the applicable Securities Commission.

(e) Each of the Underwriters hereby represents, warrants and covenants to the Company that the Underwriter is a resident of Canada for the purposes of the Tax Act.

(f) Notwithstanding anything to the contrary herein, no Underwriter will be liable to the Company under this Section 3 with respect to any act, omission or conduct of any of the other Underwriters or any Selling Firms, if any, appointed by any of the other Underwriters.

4. Delivery of Documents and Related Matters

(a) The Company will be responsible for and will cause to be delivered to the Underwriters, without charge and at those delivery points in the Qualifying Jurisdictions reasonably requested by the Underwriters, as soon as practicable and, in any event, in the case of deliveries in the Greater Toronto Area, by no later than 12:00 p.m. (Toronto time) on November 19, 2021 and thereafter from time to time during the distribution of the Offered Shares, as many commercial copies of the Supplemented Prospectus, in the English and French languages, as the Underwriters may reasonably request by written instructions delivered to the Company, legal counsel to the Company and the commercial printer of such documents. The Company will similarly cause to be delivered to the Underwriters, without charge and at those delivery points as the Underwriters may reasonably request, as many commercial copies of the U.S. Private Placement Memorandum and any amendments thereto and any Supplementary Material, including any Prospectus Amendments, required to be delivered to purchasers or prospective purchasers of the Offered Shares.

(b) prior to or contemporaneously with the filing of the Supplemented Prospectus with the Securities Commissions, the Company will deliver to the Underwriters (except to the extent such documents have been previously delivered to the Underwriters):

- (i) copies of the Preliminary Prospectus, the Amended Preliminary Prospectus, the Base Prospectus and the Supplemented Prospectus, in each case in both the English and the French languages and signed by the Company, as required by Securities Laws;
- (ii) copies of the Preliminary U.S. Private Placement Memorandum and the U.S. Private Placement Memorandum;
- (iii) evidence satisfactory to the Underwriters of the approval of the listing and posting for trading on the Exchange of the Offered Shares, subject only to satisfaction by the Company of the customary post-closing conditions imposed by the Exchange in similar circumstances (collectively, the "**Standard Listing Conditions**");
- (iv) a "long-form" comfort letter of the Auditor dated the date of the Supplemented Prospectus, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, and addressed to the Underwriters, relating to the financial and accounting information of Economical Insurance contained in the Supplemented Prospectus and matters involving changes or developments since the respective dates of which such financial and accounting information is given to a date not more than two Business Days prior to the date of such letter, which letter shall be in addition to the Auditor's report contained in the Supplemented

Prospectus and any consent of the Auditor addressed to the Securities Commissions;

- (v) a “long-form” comfort letter of the Auditor dated the date of the Supplemented Prospectus, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, and addressed to the Underwriters, relating to the financial and accounting information of the Company (including, for greater certainty, the pro forma financial statements and other pro forma financial and accounting information derived from the financial and accounting information of the Company) contained in the Supplemented Prospectus and matters involving changes or developments since the respective dates of which such financial and accounting information is given to a date not more than two Business Days prior to the date of such letter, which letter shall be in addition to the Auditor’s report contained in the Supplemented Prospectus and any consent of the Auditor addressed to the Securities Commissions;
- (vi) opinions of Blake, Cassels & Graydon LLP, dated the date of the Preliminary Prospectus, the Amended Preliminary Prospectus, the Base Prospectus and the Supplemented Prospectus, respectively, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, and addressed to the Underwriters, to the effect that the French language version of the Preliminary Prospectus, the Amended Preliminary Prospectus, the Base Prospectus and the Supplemented Prospectus, other than the Financial Information, as to which no opinion need be expressed by such counsel, is, in all material respects, a complete and proper translation of the English language version thereof;
- (vii) opinions of the Auditor, dated the date of the Preliminary Prospectus, the Amended Preliminary Prospectus, the Base Prospectus and the Supplemented Prospectus, respectively, in form and substance satisfactory to the Underwriters, acting reasonably, and addressed to the Underwriters, to the effect that the French language version of the Financial Information contained in the Preliminary Prospectus, the Amended Preliminary Prospectus, the Base Prospectus and the Supplemented Prospectus, as applicable, includes the same information and, in all material respects, carries the same meaning as the English language version thereof; and
- (viii) written evidence satisfactory to the Underwriters and their counsel of the approval of the Minister, and any other Governmental Authority, as applicable, of: (i) the Conversion Plan; and (ii) the Cornerstone Private Placements;

and delivery via electronic transmission of such documentation (such as by use of PDF) shall be sufficient delivery for the purposes of this Section 4(b).

(c) In the event that the Company prepares and files with the Securities Commissions any Prospectus Amendment, other Supplementary Material or any other document that is required to be filed by the Company under Securities Laws in connection with the Offering, the Company will be responsible for and will cause to be delivered to the Underwriters, without charge

and at those delivery points as the Underwriters may reasonably request, contemporaneously with the filing thereof, a copy of any such Supplementary Material or document including, in the case of any Prospectus Amendment, copies in both the English and French languages, and signed by the Company, where required by Securities Laws. Concurrently with the filing of any Prospectus Amendment with the Securities Commissions, comfort letters and opinions substantially similar to those referred to in Sections 4(b)(iv) through 4(b)(vii) will, to the extent applicable, be delivered to the Underwriters with respect to such Prospectus Amendment, and the Company shall prepare and deliver to the Underwriters a corresponding amendment to the U.S. Private Placement Memorandum.

(d) During the Distribution Period, the Company will promptly provide to the Joint Bookrunners drafts of any press releases of the Company for review and approval by the Joint Bookrunners and their counsel prior to issuance. If requested by the Joint Bookrunners and permitted under applicable Laws, the Company hereby agrees to include a mutually acceptable reference to the Underwriters and their roles in any press release of the Company in respect of the Offering.

5. Material Change and Other Notifications

(a) During the Distribution Period, the Company will promptly notify each of the Underwriters in writing, with full particulars, of:

- (i) any change (whether actual, anticipated, contemplated, proposed or threatened) in the business, operations, assets (including intangible assets), liabilities (contingent or otherwise), financial condition, cash flows, income, results of operations or capital of the Company Group, taken as a whole, which would reasonably be expected to have a significant effect on the market price or value of the Offered Shares;
- (ii) any material fact that has arisen or has been discovered that would have been required to have been stated in the Base Prospectus, the Supplemented Prospectus, any Prospectus Amendment, the Marketing Documents or the U.S. Private Placement Memorandum (including any amendment or supplement thereto) had that fact arisen or been discovered on or prior to the date of such document; and
- (iii) any change in any fact contained in the Base Prospectus, the Supplemented Prospectus, any Prospectus Amendment, the Marketing Documents or the U.S. Private Placement Memorandum (including any amendment or supplement thereto) or any event or state of facts that has occurred after the date of this Agreement, which change, fact or event is, or could reasonably be expected to be, of such a nature as (x) to render the Base Prospectus, the Supplemented Prospectus, any Prospectus Amendment, the Marketing Documents or the U.S. Private Placement Memorandum or any amendment or supplement thereto misleading or untrue in any material respect, or (y) would result in the Base Prospectus, the Supplemented Prospectus, any Prospectus Amendment, the Marketing Documents or the U.S. Private Placement Memorandum or any amendment or supplement thereto containing a misrepresentation or not complying in any material respect with any Securities Laws or applicable U.S. Securities laws, as applicable.

(b) During the Distribution Period, the Company will comply with section 57 of the *Securities Act* (Ontario) and with the comparable provisions of the other Securities Laws of the Qualifying Jurisdictions, and the Company will prepare and, with the approval of the Underwriters, which approval shall not be unreasonably withheld or delayed, file promptly any Supplementary Material which, in the opinion of the Company or the Underwriters, acting reasonably, may be necessary or advisable. Any Supplementary Material prepared pursuant to this Section 5(b) shall be in form and substance satisfactory to the Underwriters, acting reasonably.

(c) In addition to the provisions of Sections 5(a) and 5(d), the Company will, in good faith, discuss with all of the Underwriters any change, fact or event contemplated in Section 5(a) or request, communication or announcement contemplated in Section 5(d), which is of such a nature that there may be reasonable doubt as to whether notice need be given to the Underwriters under Sections 5(a) or 5(d) and will consult with all of the Underwriters with respect to the form and content of any Supplementary Material proposed to be filed by the Company, it being understood and agreed that no such Supplementary Material will be filed with any Securities Commission prior to the review and approval of such Supplementary Material by all of the Underwriters and counsel to the Underwriters, acting reasonably.

(d) During the Distribution Period, the Company will promptly notify all of the Underwriters in writing, with full particulars, of:

- (i) any request of any Securities Commission or any other Governmental Authority for any amendment or supplement to any Offering Document or for any additional information relating to the Offering;
- (ii) the receipt by the Company or Economical Insurance of any communication, whether written or oral, from any Securities Commission, the Exchange or any other Governmental Authority relating to the Offering Documents or the Offering, including the issuance by any such Governmental Authority of any order to cease or suspend trading of any securities of the Company or the institution or threat of institution of any proceeding for those purposes;
- (iii) the receipt by the Company or Economical Insurance of any communication, whether written or oral, from any Governmental Authority in respect of matters that would be, or would be reasonably likely to, prevent, suspend, hinder, delay, restrict or otherwise materially adversely affect (x) the implementation of the Conversion Plan such that it will not be effective on the terms provided in the Conversion Plan at the Effective Time or (y) the closing of a Cornerstone Private Placement such that it will not close on the terms provided in the applicable Subscription Agreement concurrently with the Offering;
- (iv) (x) a determination that any of the Cornerstone Conditions will not be satisfied or, if applicable, waived; (y) any amendment to, or waiver of any condition to be satisfied, complete or otherwise met under, or the termination of, either Subscription Agreement (in which case such notice shall include a copy of such amendment, waiver or termination as applicable); and (z) the receipt by the Company or Economical Insurance of (A) any notice of termination from a Cornerstone Investor of the applicable Subscription Agreement, or (B) any other communication,

whether written or oral, from a Cornerstone Investor in respect of matters that would, or would be reasonably likely to, prevent, suspend, hinder, delay, restrict or otherwise materially adversely affect the closing of the applicable Cornerstone Private Placement such that it will not close on the terms provided in the applicable Subscription Agreement concurrently with the Offering; and

- (v) any change in applicable Insurance Laws or the interpretation or administration thereof, in each case to the extent such change is applicable to the Company, Economical or any of their respective Subsidiaries and would reasonably be expected to (x) prevent, suspend, hinder, delay, restrict or otherwise materially adversely affect (A) the implementation of the Conversion Plan such that it will not be effective on the terms provided in the Conversion Plan at the Effective Time, or (B) the closing of a Cornerstone Private Placement such that it will not close on the terms provided in the applicable Subscription Agreement concurrently with the Offering or (y) have a Material Adverse Effect.

6. Marketing Materials

(a) During the Distribution Period, each of the Company and Economical Insurance will provide its full cooperation, and cause its management to provide their full cooperation, in marketing the Offering as the Underwriters may reasonably request, including in connection with the preparation of any marketing materials (including revised marketing materials) for provision to any potential investor in the Offered Shares, and the Company will approve in writing any marketing materials (including any template version thereof) (which written approval shall constitute the Underwriters' authority to use such marketing materials, including any limited-use versions thereof, in connection with the Offering). The Joint Bookrunners shall, on behalf of the Underwriters, approve in writing any such marketing materials (including any template version thereof) prior to any marketing materials being provided to potential investors in the Offered Shares and filed with the Securities Commissions. The Company shall, if required by Securities Laws, file any marketing materials (including any template version thereof) with the Securities Commissions as soon as reasonably practical after such materials have been approved in writing by the Company and the Joint Bookrunners, on behalf of the Underwriters, and, in any event, not later than the day on which such marketing materials are first provided to any potential investor in the Offering. Any comparables (and all disclosure relating to such comparables) shall be redacted (to the fullest extent permitted by NI 41-101) from the template version of any marketing materials filed with the Securities Commissions pursuant to this Section 6(a) and, where applicable, a complete template version of such marketing materials (containing the redacted comparables and related disclosure) shall be delivered to the applicable Securities Commissions by the Company in compliance with NI 41-101.

(b) During the Distribution Period, the Company and each Underwriter, severally and not jointly (or jointly and severally), covenants and agrees not to provide any potential investor with any materials or information in relation to the Offering or the Company Group other than: (A) marketing materials that have been approved and filed in accordance with this Section 6; (B) any standard term sheets; and (C) the Offering Documents.

7. Representations and Warranties of the Company and Economical Insurance as to Offering Documents

(a) Filing by the Company of the Preliminary Prospectus, the Amended Prospectus, the Base Prospectus, the Supplemented Prospectus, any Prospectus Amendment and the Marketing Documents with the Securities Commissions will constitute the representation and warranty by the Company and Economical Insurance, on a joint and several basis, to each of the Underwriters that, as at the date of such document and at the time such document is so filed:

- (i) the information and statements (excluding Underwriters' Information) contained in the Preliminary Prospectus, the Amended Prospectus, the Base Prospectus, the Supplemented Prospectus, any Prospectus Amendment and the Marketing Documents in respect of the Offered Shares and the Company Group (A) contain no misrepresentation and (B) with respect to the Preliminary Prospectus, the Amended Prospectus, the Base Prospectus, the Supplemented Prospectus and any Prospectus Amendment, constitute full, true and plain disclosure of all material facts relating to the Company and the Offered Shares as required by Securities Laws;
- (ii) except with respect to any Underwriters' Information, no material fact has been omitted from such information and statements that is required to be stated therein or that is necessary to make a statement therein not misleading in light of the circumstances under which it was made; and
- (iii) except with respect to any Underwriters' Information, such document complies with Securities Laws, other than as to non-material matters of form.

(b) The Company and Economical Insurance represent and warrant, on a joint and several basis, to each of the Underwriters that, (i) as of the date of filing of the Preliminary Prospectus, the Amended Prospectus and the Base Prospectus (as applicable), respectively, the Preliminary U.S. Private Placement Memorandum, and (ii) as of the date of filing of the Supplemented Prospectus and any Prospectus Amendment (as applicable), respectively, the U.S. Private Placement Memorandum and any amendment or supplement thereto, (x) did not or do not, as the case may be, contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading, and (y) complied or will comply, as the case may be, with applicable U.S. Securities Laws, other than as to non-material matters of form; provided that this representation and warranty shall not apply with respect to any Underwriters' Information.

(c) The filing of the Preliminary Prospectus, the Amended Prospectus, the Base Prospectus, the Supplemented Prospectus, any Prospectus Amendment and the Marketing Documents with the Securities Commissions will constitute consent by the Company to the use by the Underwriters and their Selling Firms, if any, of such Offering Document, and the Preliminary U.S. Private Placement Memorandum, the U.S. Private Placement Memorandum and any amendment or supplement thereto, in connection with the Offering in accordance with Section 3. Each of the Company and the Joint Bookrunners acknowledges that each of them has previously approved in writing the Investor Presentation and the Term Sheet and the Company further

acknowledges that it has consented to the Underwriters and their Selling Firms providing such Marketing Documents to potential investors.

8. **Additional Representations and Warranties of the Company and Economical Insurance**

The Company and Economical Insurance represent and warrant, on a joint and several basis, to each of the Underwriters as follows, and acknowledge that each of the Underwriters is relying upon the following representations and warranties in completing the transactions contemplated by this Agreement:

- (a) the Company, Economical Insurance and each of the Significant Subsidiaries has been duly organized and is validly existing as a corporation or partnership, as applicable, under the Laws of the jurisdiction of its organization;
- (b) each of the Company, Economical Insurance, Sonnet Insurance Company, Petline Insurance Company, and TEIG Investment Partnership:
 - (i) has all requisite corporate or partnership power, as applicable, and authority to carry on its business as now conducted and to own, lease and operate its property and assets (or the business of TEIG Investment Partnership, as applicable);
 - (ii) has conducted and is conducting its business (or the business of TEIG Investment Partnership, as applicable) in compliance with all applicable Laws of each jurisdiction in which it carries on business, except where failure to so comply would not reasonably be expected to have a Material Adverse Effect; and
 - (iii) is duly registered, licensed or qualified to carry on its business (or the business of TEIG Investment Partnership, as applicable) and to own, lease and operate its property and assets in each jurisdiction where the conduct of its business (or the business of TEIG Investment Partnership, as applicable) or the ownership, leasing or operation of its property and assets requires such registration, licensing or qualification, including without limitation, insurance licences or authorizations from the relevant Governmental Authorities in all such jurisdictions in which the Company Group conducts insurance business (the “**Insurance Licences**”), except where the failure to be so registered, licensed or qualified would not reasonably be expected to have a Material Adverse Effect;
- (c) each of the Company and Economical Insurance has all requisite corporate power and authority to execute, deliver and perform its obligations under this Agreement and each of the Related Agreements to which it is a party (including, in the case of the Company, to issue, sell and deliver the Offered Shares);
- (d) as of the date of this Agreement, the Company has no Subsidiaries, and as of the Closing Time, the only Subsidiaries of the Company that will be material to the Company will be Economical Insurance and the Significant Subsidiaries;

- (e) as of the date of this Agreement, the only Subsidiaries of Economical Insurance that are material to Economical Insurance are the Significant Subsidiaries and the Company;
- (f) Economical Insurance owns, directly or indirectly, all of the issued and outstanding securities and equity interests, as applicable, of each of its Subsidiaries, in each case free and clear of all Liens (other than Permitted Liens), claims or demands whatsoever and all such securities have been validly issued and are outstanding as fully paid and non-assessable, as applicable;
- (g) as of the Closing Time, the Company will own, directly or indirectly, all of the issued and outstanding securities of Economical Insurance and each of its Subsidiaries, in each case free and clear of all Liens (other than Permitted Liens), claims or demands whatsoever and all such securities will have been validly issued and will be outstanding as fully paid and non-assessable, as applicable;
- (h) the execution, delivery and performance by each of the Company and Economical Insurance of this Agreement and each of the Related Agreements to which it is a party and the implementation and closing, as applicable, of the Transactions, including the issuance, offering, sale and delivery of (x) the Offered Shares pursuant hereto, (y) the Shares to be issued and sold to the Cornerstone Investors pursuant to the Subscription Agreements and (z) the Shares to be issued as Share Benefits pursuant to the Conversion Plan:
 - (i) have been duly authorized by all necessary corporate action on the part of the Company and Economical Insurance required under applicable Law, including the requisite approvals from the policyholders of Economical Insurance;
 - (ii) do not require any filing with any Governmental Authority or any Authorization except (A) those which have been made or obtained under Securities Laws, (B) those required under Securities Laws which will be made or obtained prior to the Closing Time, (C) those which have been made or obtained in connection with the Demutualization, the Conversion Plan and the Cornerstone Private Placements under applicable Law (including any Authorizations from or filings to the Minister or OSFI), and (D) the issuance by the Minister of the Letters Patent of Conversion which will be issued at the Effective Time;
 - (iii) do not conflict with or result in a breach or violation of the Conversion Plan, the constating documents of the Company, Economical Insurance or any of their respective Subsidiaries, or any resolution of the directors or shareholders of the Company, Economical Insurance or any of their respective Subsidiaries, as applicable, and will not conflict with or result in a breach or violation of the Letters Patent of Conversion; and
 - (iv) do not (and will not with the giving of notice, the lapse of time or both) (x) conflict with or result in a breach or a violation of any of the terms and provisions of, (y) constitute a default or allow any third party to exercise any rights under, or (z) require any consent or approval of a third party under:

- (A) any judgment, decree, order or award of any Governmental Authority having jurisdiction over the Company Group (other than any Authorizations in respect of the Transactions),
- (B) any Authorizations in respect of the Transactions,
- (C) any Laws applicable to the Company Group (including the ICA and the Demutualization Regulations), or
- (D) any material Contract to which the Company, Economical Insurance of any of their respective Subsidiaries is a party or by which any of their respective properties or assets are bound,

except, in the case of clause (A) and clause (D) of this Section 8(h)(iv), for any such conflicts, breaches, violations, defaults and rights that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or materially adversely affect the rights of the Underwriters under this Agreement;

- (i) this Agreement and each of the Related Agreements to which the Company or Economical Insurance is a party has been, or will be at the time of its execution, duly executed and delivered by the Company or Economical Insurance, as applicable, and constitutes valid and binding obligations of the Company or Economical Insurance, as applicable, enforceable against it in accordance with their respective terms, provided that enforcement thereof may be limited by the effect of bankruptcy, insolvency and other Laws affecting the rights of creditors generally and general equitable principles, including the limitation that rights of indemnity, contribution and waiver may be limited by applicable Laws;
- (j) the Offered Shares conform in all material respects to the description thereof contained in the Offering Documents;
- (k) as of the date of this Agreement, the authorized capital of the Company consists of an unlimited number of Shares, of which one Share is issued and outstanding and owned by Economical Insurance;
- (l) as of the Closing Date, following the completion of the Demutualization and immediately prior to the Closing Time, the authorized capital of the Company will consist of (A) an unlimited number of Shares, of which an aggregate of 8,198,229 Shares will be issued and outstanding and all of the issued and outstanding Shares will be owned by Eligible Policyholders entitled to receive Share Benefits; and (B) an unlimited number of preferred shares, issuable in series, of which none shall be issued and outstanding;
- (m) as of the date of this Agreement and as of the Closing Date and as of the Over-Allotment Option Closing Date, as applicable, all of the issued and outstanding Shares shall have been duly authorized and validly issued as fully paid and non-assessable;
- (n) as of the date of this Agreement, Economical Insurance is a mutual company under the ICA without share capital;

- (o) no director, officer or employee of the Company, Economical Insurance or any of their respective Subsidiaries is prohibited, and no such person will be prohibited, under the ICA or the Demutualization Regulations from purchasing the Offered Shares from an Underwriter or a Selling Firm;
- (p) as of the Closing Date, following the completion of the Demutualization and immediately prior to the Closing Time, (A) the authorized capital of the Economical Insurance will consist of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, of which all of the issued and outstanding common shares will be owned directly by the Company and no preferred shares will be issued and outstanding; and (B) all of the issued and outstanding common shares will have been duly authorized and validly issued as fully paid and non-assessable;
- (q) except for the entitlement of certain Eligible Policyholders to receive Shares as Share Benefits pursuant to the Conversion Plan, no person (other than the Underwriters under this Agreement and the Cornerstone Investors under the applicable Subscription Agreement and Governance Agreement) has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming a Contract (A) with the Company, Economical Insurance or any of their respective Subsidiaries for the purchase, subscription or issuance of any of the unissued shares, securities or warrants (including debt securities, convertible securities or warrants) of the Company, Economical Insurance or any of their respective Subsidiaries, (B) under which the Company, Economical Insurance or any of their respective Subsidiaries is, or may become, obligated to issue any of its securities or (C) for the purchase of any securities of the Company, Economical Insurance or any of their respective Subsidiaries;
- (r) the form and terms of the certificates for the Offered Shares have been, or will be as of the Closing Time, approved and adopted by the directors of the Company and comply with all legal requirements (including all requirements of the ICA and the Exchange in relation thereto), and do not conflict with the constating documents of the Company;
- (s) the Firm Shares to be issued and sold by the Company pursuant to this Agreement at the Closing Time, will be duly and validly issued by the Company at the Closing Time and, when issued and sold by the Company, the Firm Shares will be fully paid and non-assessable shares of the Company, will be free and clear of any Liens whatsoever and will have the attributes set out in the Offering Documents;
- (t) if the Underwriters exercise the Over-Allotment Option in accordance with Section 13(a), the Additional Shares to be issued and sold by the Company pursuant to this Agreement will be duly and validly issued by the Company at the Over-Allotment Option Closing Time and, when issued and sold by the Company, the Additional Shares will be fully paid and non-assessable shares of the Company, will be free and clear of any Liens whatsoever and will have the attributes set out in the Offering Documents;
- (u) no order suspending the distribution of the Offered Shares has been issued by any Governmental Authority, and no proceeding for that purpose has been initiated or,

to the knowledge of the Company and Economical Insurance, is pending or threatened or contemplated by any Governmental Authority;

- (v) the Transfer Agent is, or will be at the Closing Time, the duly appointed registrar and transfer agent of the Company with respect to the Shares;
- (w) at Closing, the Incentive Plans will have been duly approved by the Company and will comply in all material respects with the rules and policies of the Exchange and the Demutualization Regulations. Other than the Incentive Plans and the Employee Share Ownership Plan (as defined in the Base Prospectus), the Company will have no stock-based benefit or incentive plan in effect as at the Closing Time;
- (x) the Company is not subject to the reporting requirements of section 13(a) or 15(d) of the United States *Securities Exchange Act of 1934*, as amended;
- (y) no person has any Contract or any right or privilege capable of becoming such for the purchase of any material part of the Business;
- (z) except as disclosed under the heading "Description of Material Indebtedness" in the Base Prospectus, none of the Company, Economical Insurance nor any of their respective Subsidiaries is party to any Contract evidencing material indebtedness, or has any other material indebtedness outstanding;
- (aa) none of the Company, Economical Insurance nor any of their respective Subsidiaries is or, to the knowledge of the Company and Economical Insurance, is alleged to be:
 - (i) in violation or breach of any provision of the Conversion Plan,
 - (ii) in violation or breach of any provision of the Letters Patent of Conversion, its constating documents or any Laws, including Insurance Laws, as applicable, or
 - (iii) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any Contract or permit to which it is a party or by which it is bound or to which its property or assets are bound,

except, in the case of 8(aa)(iii) as disclosed in the Base Prospectus and, in the case of 8(aa)(ii) or 8(aa)(iii), for any such violations, breaches or defaults that would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or materially adversely affect the rights of the Underwriters under this Agreement;

- (bb) the Company and Economical Insurance have: (i) complied in all material respects with the requirements under applicable Law (including the Demutualization Regulations and any order of the Ontario Superior Court of Justice made in respect of the Demutualization) in connection with implementing the Demutualization and consummating the Conversion Plan; (ii) obtained all necessary consents or approvals from their respective directors, shareholders or policyholders required under applicable Law, and (iii) taken all other actions and such other steps as are

required by applicable Law or any applicable Governmental Authority (including the Minister and OSFI) to effect the Demutualization and consummate the Conversion Plan, except as otherwise described in Section 8(h)(ii);

- (cc) (i) the Company and Economical Insurance have provided to the Underwriters a true and complete copy of the Conversion Plan, and (ii) the Conversion Plan has not been amended, modified, supplemented or terminated in any respect or in any manner, whether in writing, orally or by conduct, by the Company Group;
- (dd) as of the date of this Agreement, to the knowledge of the Company and Economical Insurance, there are no facts, events or circumstances that would cause it to believe that the Minister will not issue the Letters Patent of Conversion, or the Demutualization will not otherwise become effective in accordance with the terms of the Conversion Plan, on or prior to the Effective Time;
- (ee) the Company and Economical Insurance have: (i) complied in all material respects with the requirements under applicable Law in connection with the Cornerstone Private Placements and the issuance, offering, sale and delivery of the Shares to be issued and sold to the Cornerstone Investors pursuant to the applicable Subscription Agreements; and (ii) have taken all other actions and such other steps as are required by applicable Law or any applicable Governmental Authority (including the Minister and OSFI) to consummate the Cornerstone Private Placements, as applicable, and to issue, sell and deliver the Shares to each Cornerstone Investor pursuant to the applicable Subscription Agreements, except as otherwise described in Section 8(h)(ii);
- (ff) (i) the Company has provided to the Underwriters a true and complete copy of each Subscription Agreement; and (ii) the Subscription Agreements have not been amended, modified, supplemented, terminated or waived in any respect or in any manner, whether in writing, orally or by conduct, by the Company, Economical Insurance or, to the knowledge of the Company and Economical Insurance, any of other the parties thereto;
- (gg) (i) each of the Company and Economical Insurance (A) has performed in all material respects all obligations required to be performed by it in connection with each of the Subscription Agreements, and (B) is entitled to all benefits, rights and privileges under each of the Subscription Agreements, and (ii) to the knowledge of the Company and Economical Insurance, there has been no material breach thereof by any other parties thereto;
- (hh) as of the date of this Agreement, to the knowledge of the Company and Economical Insurance, there are no facts, events or circumstances that would cause it to believe, acting reasonably, that (i) the Cornerstone Private Placements will not be completed concurrently with the Closing, (ii) either Subscription Agreement will be terminated, or (iii) the Cornerstone Private Placements will not be completed in accordance with the terms of the respective Subscription Agreements;
- (ii) Economical Insurance, in its capacity as the sole shareholder of the Company, has approved the Continuance and no further approvals of the shareholders of the Company are required by applicable Laws therefor;

- (jj) except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, since December 31, 2020, there have been no Material Market Conduct Claims;
- (kk) except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (i) all Tax Returns required by applicable law to be filed by the Company, Economical Insurance or any of their respective Subsidiaries have been filed, and all Taxes due or claimed to be due from such entities have been paid when due; (ii) there is no Tax deficiency which has been or might be asserted against the Company, Economical Insurance or any of their respective Subsidiaries; (iii) there are no actions, suits, proceedings, assessments, reassessments, claims or investigations in progress, pending or, to the knowledge of the Company and Economical Insurance, threatened, against the Company, Economical Insurance or any of their respective Subsidiaries in respect of Taxes; and (iv) the Economical Financial Statements include adequate accruals for Taxes in accordance with IFRS for the Taxes of the Company and its Subsidiaries;
- (ll) the Company is not a non-resident of Canada within the meaning of the Tax Act;
- (mm) the Company is not, and does not anticipate becoming, a passive foreign investment company, as defined in section 1297 of the Internal Revenue Code of 1986, as amended;
- (nn) the Economical Financial Statements (A) present fairly in all material respects the financial position, results of operations, cash flows and all of the assets and liabilities of Economical Insurance and its Subsidiaries, as the case may be, on a consolidated basis, for the periods ended on, and as at, the dates indicated therein, (B) have been prepared in conformity with IFRS consistently applied throughout the periods involved and comply as to form in all material respects with applicable Securities Laws, (C) are, in all material respects, consistent with the books and records of Economical Insurance and its Subsidiaries, (D) contain and reflect all material adjustments for the fair presentation of the results of operations and the financial position of the business of Economical Insurance and its Subsidiaries for the periods covered thereby, and (E) contain and reflect adequate provision or allowance for all reasonably anticipated liabilities, expenses and losses of Economical Insurance and its Subsidiaries and, to the knowledge of the Economical Insurance, there is no fact or circumstance currently existing which would render any of the financial information contained therein materially incorrect;
- (oo) the Definity Financial Statements (A) present fairly in all material respects the financial position and cash flows of the Company for the periods ended on, and as at, the dates indicated therein, (B) have been prepared in conformity with IFRS consistently applied throughout the periods involved and comply as to form in all material respects with applicable Securities Laws, (C) are, in all material respects, consistent with the books and records of the Company, and (D) to the knowledge of the Company, there is no fact or circumstance currently existing which would render any of the financial information contained therein materially incorrect;
- (pp) the Pro Forma Financial Statements have been prepared in conformity with IFRS consistently applied throughout the periods involved and have been prepared and presented in accordance with Securities Laws and include all adjustments

necessary for a fair presentation and include all reconciliations to IFRS, as required in order to prepare the Pro Forma Financial Statements in accordance with NI 52-107, and the assumptions contained in the Pro Forma Financial Statements are suitably supported and consistent with the operating results of the Company Group, and such statements provide a reasonable basis for the compilation of the Pro Forma Financial Statements and the Pro Forma Financial Statements accurately reflect such assumptions;

- (qq) the statistical and market-related data included in the Offering Documents are based on or derived from sources that are, to the knowledge of the Company and Economical Insurance, reliable and accurate in all material respects and, the Company has obtained consent to the use of data from Willis Towers Watson, MSA Research and IMI International;
- (rr) each of the Company and Economical Insurance has established and maintains a system of disclosure controls and procedures designed to ensure that information required to be disclosed by it under Securities Laws will be recorded, processed, summarized and reported within the time periods specified in such Securities Laws;
- (ss) the Company Group has established and maintains a system of internal accounting controls and internal control over financial reporting which is designed to be effective in providing reasonable assurance that: (A) transactions are executed in accordance with management's general or specific authorization; (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with IFRS and to maintain accountability for assets; (C) access to assets is permitted only in accordance with management's general or specific authorization; and (D) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. To the knowledge of the Company and Economical Insurance, neither the Company nor Economical Insurance has, or since January 1, 2018 has had, a "material weaknesses" in its internal control over financial reporting (as defined in NI 52-109);
- (tt) the Auditor is the auditor of the Company and Economical Insurance and is independent with respect to the Company and Economical Insurance, respectively, within the meaning of ICA and Securities Laws, and there has not been a "reportable event" (as such term is defined in NI 51-102) with respect to the audits of the Company or Economical Insurance conducted by the Auditor since December 31, 2016;
- (uu) since December 31, 2020, except as described in the Base Prospectus, neither the Company nor Economical Insurance, nor any of the Significant Subsidiaries has (A) made, or agreed to make, any material change in any method of accounting or auditing practice, or (B) except in connection with the change of the Company's name from "Economical Holdings Corporation" to "Definity Financial Corporation", amended or approved any amendment to its constating documents, by-laws or capital structure;
- (vv) the Company Group currently holds all material Authorizations (including any Insurance Licence) required to own and operate its businesses, no revocation or

limitation of any such Authorization is pending or, to the knowledge of the Company and Economical Insurance, threatened, and none of the Company, Economical Insurance nor any of their respective Subsidiaries are in violation of, or in default in any respect under, any such Authorization, except for such violations and defaults which would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect and;

- (ww) except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (i) the Company Group maintains such policies of commercial insurance with insurers of recognized financial responsibility as are appropriate for their operations, activities, properties and assets, against such losses and risks and in such amounts as are customary in the businesses in which they are engaged, and all such policies of insurance are in full force and effect; and (ii) none of the Company, Economical Insurance nor any of their respective Subsidiaries is in default as to the payment of premiums or otherwise under the terms of any such insurance policy;
- (xx) since December 31, 2020, except as disclosed in the Base Prospectus, there has not been: (A) any transaction entered into by the Company, Economical Insurance or any of their respective Subsidiaries, other than in the Ordinary Course, that is material to the Company Group taken as a whole; (B) any dividend or distribution of any kind declared, paid or made by the Company on the Shares or other securities of the Company; or (C) any Material Adverse Effect or change in circumstances which would reasonably be expected to have a Material Adverse Effect;
- (yy) except as disclosed in the Base Prospectus, there is no action, suit, proceeding (including, without limitation, any proceeding to revoke or deny renewal of any Insurance Licence) or investigation, at law or in equity, by any person, or any arbitration, administrative or other proceeding by or before any Governmental Authority that is pending (or, to the knowledge of the Company and Economical Insurance, threatened) against or affecting the Company Group or any of its properties, rights or assets that would reasonably be expected to result, individually or in the aggregate, in a Material Adverse Effect;
- (zz) since January 1, 2016, none of the directors, officers or employees of the Company, Economical Insurance or any of their respective Subsidiaries, and no affiliate of any of the foregoing, has or had any interest, direct or indirect, in any material transaction or any proposed material transaction with the Company, Economical Insurance or any of their respective Subsidiaries which materially affected, or is reasonably expected to materially affect, the Company Group, taken as a whole;
- (aaa) except in each case with respect to the transactions contemplated by the Conversion Plan, no acquisition has been made by the Company, Economical or any of their respective Subsidiaries that is a "significant acquisition" for which the Company is or will be required to file a "business acquisition report" (as such terms are defined in NI 51-102) and neither the Company nor Economical nor any of their respective Subsidiaries has completed, or is a party to any agreement or arrangement with respect to any transaction that would constitute, a "significant acquisition" (as such term is defined in Form 41-101F1 – *Information Required in*

a Prospectus), in each case that would require disclosure in any Offering Document in accordance with Item 35 of Form 41-101F1 – *Information Required in a Prospectus*;

- (bbb) all of the material Contracts of the Company Group not entered into in the Ordinary Course have been disclosed in the Offering Documents (other than those that do not need to be disclosed pursuant to Securities Laws);
- (ccc) except as disclosed in the Base Prospectus, and except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, the Company Group has good and marketable title to all of its assets and properties and no person has any Contract or any right or privilege capable of becoming a right to purchase any assets or property from the Company, Economical Insurance or any of their respective Subsidiaries;
- (ddd) (A) except as disclosed in the Base Prospectus, the Company Group does not own any material real property (the “**Owned Property**”); (B) except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, the real property and buildings held under lease by the Company Group (the “**Leased Property**”) are held by them under a valid, subsisting and enforceable lease with such exceptions as do not interfere with the current use thereof by the Company, Economical Insurance or any of their respective Subsidiaries; and (D) there are no expropriation or similar proceedings actual or, to the knowledge of the Company and Economical Insurance, threatened, of which the Company, Economical or any of their respective Subsidiaries have received written notice against or in respect of the Owned Property or the Leased Property or any part thereof;
- (eee) except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect, (A) none of the Company, Economical nor any of their respective Subsidiaries is in violation of any Environmental Laws, (B) the Company, Economical Insurance and their respective Subsidiaries have all Authorizations required under any Environmental Laws for the lawful conduct of the Business and the Company, Economical Insurance and their respective Subsidiaries are each in compliance with their requirements thereunder, and (C) there are no pending or, to the knowledge of the Company and Economical Insurance, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, Liens, orders, notices of non-compliance or violation, investigations or proceedings relating to any Environmental Laws against the Company, Economical Insurance or any of their respective Subsidiaries;
- (fff) except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (i) the Company Group owns all rights in and to the Intellectual Property necessary to permit the Company Group to conduct its businesses as currently conducted as described in the Base Prospectus, free and clear of any Lien or other adverse claim or interest of any kind or nature affecting the assets of the Company Group other than Permitted Liens; (ii) to the knowledge of the Company and Economical Insurance, there is no infringement by third parties of any Intellectual Property owned or licensed by the Company, Economical Insurance or any of their respective Subsidiaries; (iii) there is no action, suit, proceeding or claim pending challenging the Company’s, Economical Insurance’s

and/or any of their respective Subsidiaries' rights in or to any Intellectual Property or the validity or scope of any Intellectual Property owned or licensed by the Company Group, and to the knowledge of the Company and Economical Insurance, there is no other fact which could form a reasonable basis for any such action, suit, proceeding or claim; and (iv) the conduct of the business of the Company Group, to the knowledge of the Company and Economical Insurance, does not infringe the Intellectual Property of any other person and there are no actions or proceedings threatened that allege that the Company, Economical Insurance or any of their respective Subsidiaries have infringed any Intellectual Property of any other person;

- (ggg) the Company, Economical Insurance and their respective Subsidiaries have implemented measures required to comply in all material respects with applicable privacy, data privacy, and personal information security Laws, including the *Personal Information Protection and Electronic Documents Act* (Canada) and all regulations promulgated thereunder (collectively, "**Privacy Laws**");
- (hhh) the Company, Economical Insurance and their respective Subsidiaries have reasonable security measures and safeguards in place to protect personal information it collects from clients and customers and other parties from loss, theft, illegal or unauthorized access or copying, use, modification, disclosure or other misuse by its personnel or third parties in a manner that violates any Laws, including Privacy Laws. Each of the Company, Economical Insurance and each Significant Subsidiary is in compliance with, and has complied, in all material respects with, Privacy Laws, and to the knowledge of the Company and Economical Insurance no member of the Company Group has collected, received, stored, disclosed, transferred, used, misused or permitted unauthorized access to any information protected under Privacy Laws, whether collected directly or from third parties, in an unlawful manner, or received any inspection report, notice of adverse finding, warning letter, untitled letter or other correspondence or notice, or been subject to any disciplinary proceedings, from or by any Governmental Authority alleging or asserting any material non-compliance with (x) any Privacy Laws or (y) any Authorizations required by any such Privacy Laws, except as would not reasonably be expected to have a Material Adverse Effect;
- (iii) the information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases used by the Company Group are adequate for, and operate and perform in all material respects as required in connection with, the operation of the business of the Company Group as currently conducted, free and clear of all material bugs, errors, defects, Trojan horses, time bombs, malware and other corruptors, except as would not reasonably be expected to have a Material Adverse Effect. To the knowledge of the Company and Economical Insurance, there has been no security breach or unauthorized disclosure of any information collected from customers, except as would not reasonably be expected to have, a Material Adverse Effect;
- (jjj) there are no outstanding violations or defaults under the Employee Plans nor any actions, suits, claims, trials, demands, investigations, arbitration proceedings or other proceedings pending or, to the knowledge of the Company and Economical Insurance, threatened with respect to any of the Employee Plans that would,

individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

- (kkk) except as would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect, (A) there is no unfair labour practice complaint pending against the Company, Economical Mutual or any of their respective Subsidiaries or, to the knowledge of the Company and Economical Insurance, threatened against any of them, before any provincial or local labour relations board or any foreign labour relations board; (B) there is no labour dispute (including any strike, lock-out or work slow-down or stoppage) with the employees or former employees of the Company, Economical Insurance or any of their respective Subsidiaries exists or is pending or, to the knowledge of the Company and Economical Insurance, is threatened or imminent; and (C) no union has been accredited or otherwise designated to represent any employees of the Company, Economical Insurance or their respective Subsidiaries and, to the knowledge of the Company and Economical Insurance, no accreditation request of other representation question is pending with respect to the employees of the Company, Economical Insurance or their respective Subsidiaries and no collective agreement or modification thereof has expired or is in effect in any of the premises of the Company, Economical Insurance or their respective Subsidiaries and none is currently being negotiated by the Company, Economical Insurance or their respective Subsidiaries;
- (lll) the execution, delivery and performance by the Company and Economical Insurance of this Agreement and the Related Agreements to which it is a party will not constitute an event or condition under any Employee Plan that entitles any employee or former employee to a payment, promise of payment, acceleration of vesting or any other benefit to which that individual would not otherwise be entitled;
- (mmm) the operations of the Company Group are and have been conducted at all times in material compliance with any applicable anti-money laundering statutes of all applicable jurisdictions, the rules and regulations thereunder and any related or similar rules, regulations or guidelines, issued, administered or enforced by any governmental agency to which they are subject (collectively, the “**Anti-Money Laundering Laws**”) and no action, suit or proceeding by or before any Governmental Authority or any arbitrator involving the Company or any of its Subsidiaries with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company and Economical Insurance, threatened;
- (nnn) none of the Company, Economical Insurance nor any of their respective Subsidiaries or, to the knowledge of the Company and Economical Insurance, any director or officer of the Company, Economical Insurance or any of their respective Subsidiaries, acting on its behalf, has: (A) used any corporate funds of the Company Group for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (B) made any direct or indirect unlawful payment to any foreign or domestic governmental official from corporate funds of the Company Group; or (C) violated or is in violation of any provision of the *Corruption of Foreign Public Officials Act* (Canada), the U.S. Foreign Corrupt Practices Act of 1977, as amended or any similar such anti-corruption law or regulation in any jurisdiction;

- (ooo) none of the Company, Economical Insurance nor any of their respective Subsidiaries, or, to the knowledge of the Company and Economical Insurance, any director, officer, employee, contractor, agent or affiliate of the Company, Economical or any of their respective Subsidiaries is currently the subject of economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by the U.S. government, including those administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S. Department of State, the United Nations Security Council or Global Affairs Canada or any agency or department thereof (collectively, “**Sanctions**”), and (B) none of the Company, Economical nor any of their respective Subsidiaries is located, organized or resident in a country or territory that is the subject of Sanctions;
- (ppp) the representations and warranties of the Company contained in Schedule B are hereby incorporated by reference herein and made a part hereof and the Company hereby acknowledges that each Underwriter is relying upon such representations and warranties;
- (qqq) the minutes, resolutions and corporate records of the Company and Economical Insurance made available to counsel for the Underwriters in connection with the Underwriters’ due diligence investigation in respect of the Offering are true and complete copies thereof and contain copies of all proceedings (or certified copies thereof) of the shareholders, the boards of directors and the committees of the Company and Economical Insurance, as applicable, in respect of the three year period prior to the date of review of such minutes, resolutions and corporate records and there have been no other meetings, resolutions or proceedings of the shareholders, board of directors or any committee of the board of directors of the Company, Economical Insurance and the Significant Subsidiaries, as applicable, from such date to the date of review of such minutes, resolutions and corporate records not reflected in such minutes, resolutions and other corporate records;
- (rrr) (A) the Company has a reasonable basis for the forward-looking information (as such term is defined in NI 51-102) contained in the Offering Documents, including the financial targets (the “**Financial Targets**”) set out under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations — Industry Outlook and Our Financial Targets – Financial Targets” in the Base Prospectus (the “**Financial Targets Section**”); (B) such forward-looking information (x) fairly presents in all material respects the Company’s reasonable estimates for the periods covered thereby, based on information currently available to the Company Group, (y) was developed using factors and assumptions that are reasonable in the circumstances and, to the extent material, those underlying factors and assumptions have been described in the Offering Documents under the caption “**Forward-Looking Information**” or, in the case of the Financial Targets, the Financial Targets Section and (z) is based on or derived from sources which the Company believes to be reliable and accurate; and (C) in the case of the Financial Targets, is limited to a period for which those Financial Targets can be reasonably estimated and, except as disclosed in the Financial Targets Section, use the accounting policies the Company expects to use to prepare its historical financial statements for the period covered thereby;

- (sss) the statements in the Base Prospectus under the headings “Canadian P&C Insurance Regulatory Environment”, “Corporate Structure”, “Description of Share Capital”, “Demutualization”, “The Cornerstone Private Placement”, “Description of Material Indebtedness” and “Executive Compensation” insofar as such statements summarize legal matters, agreements (including the Related Agreements), documents (including the Conversion Plan) or proceedings discussed therein, are accurate summaries of such legal matters, agreements, documents or proceedings, subject to the qualifications, assumptions, limitations and understandings set out therein in all material respects;
- (ttt) there are no documents required to be filed with any Securities Commission in connection with any Offering Document that have not been filed or will not be filed as required by Securities Laws and there are no contracts, documents or other materials required by Securities Laws to be described or referred to in any Offering Document that are not or will not be so described or referred to;
- (uuu) no stamp duty, registration or documentary taxes, duties or similar charges are payable under the federal laws of Canada or the laws of any Qualifying Jurisdiction in connection with the authorization, execution, delivery and performance of this Agreement or the creation, issuance, sale or delivery of the Offered Shares in the manner contemplated by this Agreement; and
- (vvv) except as provided in this Agreement and pursuant to the agreements set out in Section 8(vvv) of Schedule E, there is no person who is entitled to any brokerage, agency or finder’s fee in connection with the sale of the Offered Shares, and if any person establishes a claim for any such fee from the Underwriters, the Company shall indemnify and hold harmless the Underwriters with respect thereto and with respect to all costs reasonably incurred in the defence thereof.

9. Additional Covenants of the Company

Each of the Company and Economical Insurance, jointly and severally, covenants and agrees with each of the Underwriters that:

- (a) it will use its reasonable commercial efforts to prevent (to the extent preventable) and, if not prevented, to obtain the withdrawal of, any order, suspension or proceeding of the types described in Sections 5(d)(i) or 5(d)(ii) and to satisfy any such request as promptly as practicable;
- (b) it will apply the net proceeds from the issue and sale of the Offered Shares in accordance with the disclosure set forth under the heading “Use of Proceeds” in the Base Prospectus and will not, directly or indirectly, use any proceeds of the Offering, or lend, contribute or otherwise make available such proceeds to any of its Subsidiaries or any joint venture partner or other person, for the purpose of financing the activities of any person currently subject to any Sanctions;
- (c) it will file or cause to be filed with the Exchange all necessary documents and will take or cause to be taken all commercially reasonable steps to ensure that the Offered Shares will be approved for listing and posting for trading on the Exchange, prior to the Closing Time, subject only to the satisfaction by the Company of the Standard Listing Conditions;

- (d) it will make all necessary filings and use commercially reasonable efforts to obtain all necessary regulatory consents and approvals and will take or cause to be taken all commercially reasonable steps in connection with the completion, implementation and closing, as applicable, of the Transactions and the Company or Economical Insurance, as the case may be, will pay all filing fees required to be paid, in connection therewith;
- (e) it will use its commercially reasonable efforts to comply with all requests for information made by any Governmental Authority (including the Minister and OSFI) in connection with the implementation and completion of the Demutualization; and
- (f) it shall:
 - (i) not modify or amend any term or other provision of the Conversion Plan if such modification or amendment may, either individually or in the aggregate, reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or materially adversely affect the rights of the Underwriters under this Agreement or the rights of holders of the Offered Shares, except with the prior written consent of BMO and RBC, on behalf of the Underwriters;
 - (ii) not modify or amend the Market Stabilization Restrictions (as defined in the Conversion Plan), except with the prior written consent of BMO and RBC, on behalf of the Underwriters;
 - (iii) not terminate the Restricted Period (as defined in the Conversion Plan) during the period commencing on the date of this Agreement and ending on the date which is 180 days following the Closing Date, except with the prior written consent of BMO and RBC, on behalf of the Underwriters;
 - (iv) not determine any category of transfer of Subject Common Shares (as defined in the Conversion Plan) to be a Market Stabilization Restrictions Exception (as defined in the Conversion Plan) unless one of the transfer exceptions listed in Schedule C-4 applies to such category of transfer, in each case except with the prior written consent of BMO and RBC, on behalf of the Underwriters;
 - (v) refuse to approve any transfer of Subject Common Shares by a Subject Shareholder (as defined in the Conversion Plan) unless that transfer is pursuant to a Market Stabilization Restrictions Exception and, where required in connection with the applicable transfer exception listed in Schedule C-4, the transferee will be bound by the Market Stabilization Restrictions as if it was a Subject Shareholder and the Company will take all necessary action to enforce the Market Stabilization Restrictions against any transferee as if it was a Subject Shareholder in accordance with paragraph 9(f)(vi); and
 - (vi) take all necessary action to enforce the Market Stabilization Restrictions, including by providing written standing instructions to the Transfer Agent to refuse any requests made by or on behalf of any holders of Shares subject to the Market Stabilization Restrictions to: (x) transfer all or any portion of

such Shares without the prior written consent of the Company, (y) move all or any portion of such holder's position in such Shares from direct registration with the Transfer Agent to CDS, or (z) to issue one or more certificate evidencing such Shares, in each case during the period commencing on the date of this Agreement and ending on the date which is 180 days following the Closing Date;

- (g) it shall not, prior to the Closing Time, (i) amend any term or condition of either Subscription Agreement (including, in each case, the form of Governance Agreement attached as a schedule thereto), or (ii) waive any Cornerstone Conditions, in each case as would, either individually or in the aggregate, reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect or materially adversely affect the rights of the Underwriters under this Agreement or the rights of holders of the Offered Shares without the prior written consent of the Joint Bookrunners, on behalf of the Underwriters; and
- (h) it will (i) use its reasonable commercial efforts to promptly do, make, execute, deliver or cause to be done, made, executed or delivered, all such acts, documents and things as the Underwriters may reasonably require from time to time for the purpose of giving effect to this Agreement and (ii) use its reasonable commercial efforts to perform all of the covenants and obligations required of it under each of the Subscription Agreements.

10. Survival of Representations, Warranties and Covenants

(a) All of the representations, warranties, agreements, covenants, indemnities, and contribution obligations of the Company and Economical Insurance contained in this Agreement or in certificates or other documents addressed to the Underwriters and delivered pursuant to this Agreement shall survive the purchase and sale of the Offered Shares and the termination of this Agreement and remain in full force and effect for the benefit of the Underwriters for a period ending on the Survival Date, regardless of (i) delivery to, and payment by, the initial purchasers of the Offered Shares pursuant to the Offering, (ii) any subsequent disposition of the Offered Shares by such purchasers, and (iii) any investigation by or on behalf of the Underwriters, the Company or any of their respective representatives in connection with the preparation of the Offering Documents or the distribution of the Offered Shares.

(b) Notwithstanding anything to the contrary in Section 10(a), in the case of any fraud or fraudulent misrepresentation of any party hereto, the representations, warranties, agreements, covenants, indemnities, and contribution obligations of such party contained in this Agreement or in certificates or other documents delivered pursuant to this Agreement that relate to the subject of such fraud or fraudulent misrepresentation shall remain in full force and effect indefinitely.

(c) The provisions of this Section 10 shall not apply if none of the Offered Shares are purchased. In such circumstances there shall be no further liability of the Company to any of the Underwriters under the terms of this Agreement except in respect of any liability which may have arisen or may later arise under Sections 15, 16 or 17.

11. Conditions of Closing

The obligations of the Underwriters to purchase the Firm Shares will be subject to the following additional conditions being satisfied as at the Closing Time, which conditions are for the

exclusive benefit of the Underwriters, and any of the following conditions may be waived, in whole or in part, by the Underwriters in their sole discretion pursuant to Section 18:

- (a) The Underwriters shall have received legal opinions, addressed to the Underwriters and their counsel and dated the Closing Date, from Blake, Cassels & Graydon LLP, counsel to the Company, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, addressing the matters set forth in Schedule D and any other matters relating to the distribution of the Offered Shares reasonably requested by the Underwriters as a result of any fact which arises or is discovered during the period from the date of this Agreement to the Closing Time. In giving these opinions, counsel to the Company may, as to legal matters governed by laws of jurisdictions where it does not practice law, rely on (or arrange for separate delivery of) the opinions of local counsel acceptable, as to form, substance and choice of counsel, to the Underwriters, acting reasonably. In giving their respective opinions, counsel to the Company and such local counsel may, (i) as to matters of fact, rely on certificates of public officials or officers of the Company or any of its Subsidiaries to the extent appropriate in the circumstances, and (ii) include such assumptions, qualifications, limitations and restrictions as are reasonable and customary for the jurisdiction, and such local counsel may modify any opinions given by them to the extent such modifications are reasonable and customary to address differences in local law or opinion practices.
- (b) The Underwriters shall have received favourable legal opinions dated the Closing Date from Davies Ward Phillips & Vineberg LLP, counsel to the Underwriters, in form and substance satisfactory to the Underwriters and addressed to the Underwriters, with respect to those matters as the Underwriters may reasonably and customarily require. In connection with those opinions, counsel to the Underwriters may rely on the opinions of counsel to the Company and local counsel delivered pursuant to Section 11(a), and, as to matters of fact, may rely on any certificates of public officials or officers of the Company, Economical Insurance or any their its Subsidiaries relied upon by counsel to the Company or such local counsel for their respective opinions.
- (c) The Underwriters shall have received legal opinions, addressed to the Underwriters and their counsel and dated the Closing Date, from Shearman & Sterling LLP, counsel to the Company in the United States, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, to the effect that:
 - (i) no registration under the U.S. Securities Act is required for the offer, sale and delivery of the Offered Shares to the Underwriters or the initial re-offer and resale by the Underwriters through the U.S. Affiliates in the United States, it being understood that such counsel need not express its opinion with respect to any subsequent resales of the Offered Shares;
 - (ii) the Company is not and as a result of the offer and sale of the Offered Shares as set forth under the heading "Use of Proceeds" in the Base Prospectus will not be, an "investment company" as defined in the U.S. Investment Company Act; and

- (iii) the statements set out in the U.S. Private Placement Memorandum under the heading "Taxation – Certain United States Federal Income Tax Considerations", insofar as such statements summarize U.S. federal income tax law or legal conclusions with respect thereto, and subject to the limitations and conditions described therein, are accurate in all material respects.
- (d) The Underwriters shall have received one or more certificates dated the Closing Date on behalf of each of the Company and Economical Insurance signed by two senior officers of the Company and Economical Insurance, respectively, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, including with respect to: (i) the constating documents and by-laws of the Company and Economical Insurance, as applicable; (ii) all resolutions of or in respect of the Company and Economical Insurance, as applicable, passed in connection with the Offering and the Cornerstone Private Placements and other actions, events and conditions contemplated by this Agreement and the Offering Documents, including the issue and sale of the Offered Shares and the authorization of this Agreement and the Subscription Agreements; and (iii) the incumbency and signatures of the signing officers of the Company and Economical Insurance.
- (e) The Underwriters shall have received comfort letters each dated the Closing Date from the Auditor, in form and substance satisfactory to the Underwriters and their counsel, acting reasonably, and addressed to the Underwriters, bringing forward to a date not more than two Business Days prior to the Closing Date the information contained in the comfort letters referred to in Sections 4(b)(iv) and 4(b)(v) and confirming the continued accuracy of such information with such changes therein as may be necessary to reflect the more current cut-off date, provided that any such changes are in form and substance satisfactory to Underwriters' counsel, acting reasonably.
- (f) The Conversion Plan and the Letters Patent of Conversion shall have become effective.
- (g) The Underwriters shall have received one or more certificates dated the Closing Date addressed to the Underwriters and signed by the Chief Executive Officer and the Chief Financial Officer of each of the Company and Economical Insurance, certifying for and on behalf of each of the Company and Economical Insurance, and not in their personal capacities, after having made due inquiries, that:
 - (i) it has complied in all material respects with all of the covenants and satisfied all of the terms and conditions of this Agreement on its part to be complied with and satisfied at or prior to the Closing Time;
 - (ii) subsequent to the respective dates as at which information is given in the Supplemented Prospectus or any Prospectus Amendment, nothing has occurred to give rise to any Material Adverse Effect and no development has occurred that would reasonably be expected to have a Material Adverse Effect;

- (iii) subsequent to the respective dates as at which information is given in the Supplemented Prospectus or any Prospectus Amendment, no transaction that is out of the Ordinary Course of the Business and material to the Company Group, taken as a whole, has been entered into by the Company, Economical Insurance or any of their respective Subsidiaries or has been approved by the board of directors of any of them, other than as disclosed in the Supplemented Prospectus or any Prospectus Amendment;
- (iv) the representations and warranties of the Company and Economical Insurance contained in this Agreement, and in any certificates of the Company and Economical Insurance delivered pursuant to or in connection with this Agreement, are true and correct in all material respects as at the Closing Time (except where such representations are given as of a specific time, in which case this shall be true and accurate in all material respects as of such date only and except, in each case, for those representations and warranties that are subject to a materiality qualification, which will be true and correct in all respects) with the same force and effect as if made at the Closing Time after giving effect to transactions contemplated by this Agreement;
- (v) the Conversion Plan is effective and the Letters Patent of Conversion were issued by the Minister;
- (vi) no order, ruling or determination suspending, preventing or objecting to the use of any Offering Document or having the effect of restricting or ceasing the trading or suspending the sale of the Offered Shares has been issued and no proceedings for any such purpose have been instituted or are pending or, to the knowledge of those officers, are contemplated or threatened by any Securities Commission or any other Governmental Authority; and
- (vii) the representations and warranties of the Company arising pursuant to Section 7(a)(i) and Section 7(b)(ii)(x) by reason of the filing of the Supplemented Prospectus or any Prospectus Amendment are true and correct on and as of the Closing Time as if the Supplemented Prospectus or any Prospectus Amendment (as applicable) and the U.S. Private Placement Memorandum and any supplement or amendment thereto (as applicable) had been dated the Closing Date and delivered on such date,

and all of those matters will in fact be true and correct as at the Closing Time.

- (h) All actions required to be taken by or on behalf of the Company and Economical Insurance, including the passing of all requisite resolutions of their respective policyholders, shareholders and directors, the filing of the Supplemented Prospectus with the Securities Commissions and all other requisite filings with any Securities Commission or other Governmental Authority (including the Minister and OSFI), and the receipt of any required Authorizations, in each case shall have been taken, made or been obtained, as applicable, at or prior to the Closing Time in order to (i) validly authorize the execution, if applicable, and filing of the Offering Documents, (ii) execute and deliver this Agreement and the Related Agreements, and (iii) issue, sell and deliver (A) the Offered Shares pursuant hereto, (B) the

Shares to be issued and sold to the Cornerstone Investors pursuant to the Subscription Agreements and (z) the Shares to be issued as Share Benefits pursuant to the Demutualization.

- (i) The Offered Shares shall have been approved for listing and posting for trading on the Exchange, subject only to the Standard Listing Conditions.
- (j) (i) Each Subscription Agreement is still in full force and effect, unamended except to the extent permitted pursuant to the terms hereof, and (ii) the Cornerstone Private Placements shall have closed, or all Cornerstone Conditions shall have been satisfied, subject only to any waivers permitted pursuant to the terms hereof, such that the Cornerstone Private Placements will be completed concurrently with the Closing Time.
- (k) The Underwriters shall have received fully executed copies of each Governance Agreement in escrow, each in the form attached to the applicable Subscription Agreement, unamended except to the extent permitted pursuant to the terms hereof.
- (l) Each person listed on Schedule C-1 (the “**Lock-up Parties**”) other than the Cornerstone Investors shall have executed and delivered to the Underwriters a lock-up agreement in the form attached hereto as Schedule C-2 and each of the Cornerstone Investors shall have executed and delivered to the Underwriters a lock-up agreement in the form attached hereto as Schedule C-3 (each, a “**Lock-up Agreement**”) and each such Lock-up Agreement shall be in full force and effect.
- (m) The Underwriters shall have received such other certificates, opinions, agreements, materials or documents, in form and substance satisfactory to the Underwriters and their counsel, as the Underwriters or their counsel may reasonably request.

12. Closing

The Closing will be completed remotely via electronic transmission of documentation (such as by use of PDF) or at such place determined in writing by the Company and the Underwriters. At the Closing Time:

- (a) the Company will deliver to BMO, on behalf of the Underwriters, a certificate or certificates in global form or, at the option of BMO, an instant deposit in electronic form representing the Firm Shares registered in the name of CDS or its nominee (or as directed in writing by BMO not less than one full Business Day before the Closing Time); and
- (b) BMO, on behalf of the Underwriters, will cause to be sent to the Company by wire transfer (or other means of providing immediately available funds) an amount representing the aggregate purchase price for the Firm Shares, net of the Underwriting Fee and any other costs, fees and expenses to be paid or reimbursed by the Company and to be deducted from the aggregate purchase price pursuant to Section 17(d).

13. Over-Allotment Option

(a) The Joint Bookrunners, on behalf of the Underwriters, may exercise the Over-Allotment Option, in whole or in part, at any time and from time to time for a period of 30 days following the Closing Date by delivery of written notice to the Company of the number of Additional Shares in respect of which the Over-Allotment Option is being exercised and the date for delivery of the Additional Shares (an “**Over-Allotment Option Notice**”). The Over-Allotment Option Closing Date shall be determined by the Joint Bookrunners but shall not be earlier than two Business Days or later than seven Business Days after delivery of the Over-Allotment Option Notice. Upon delivery of an Over-Allotment Option Notice, the Company shall become obligated to sell the total number of Additional Shares in respect of which the Underwriters are exercising the Over-Allotment Option and, subject to the terms and conditions herein set forth, each Underwriter severally and not jointly shall become obligated to purchase from the Company the percentage set forth in Section 20(a) of the total number of Additional Shares in respect of which the Underwriters are then exercising the Over-Allotment Option (adjusted if necessary to avoid fractional shares).

(b) If the Underwriters exercise the Over-Allotment Option in accordance with Section 13(a), the closing of the purchase and sale of the Additional Shares will be completed remotely via electronic transmission of documentation (such as by use of PDF) or at such place determined in writing by the Company and the Underwriters. At the Over-Allotment Option Closing Time:

- (i) the Company will deliver to the Underwriters the items listed in Sections 11(e) and 11(g), in each case as if references therein to the “**Closing Date**” were references to the “Over-Allotment Option Closing Date” and references to the “Closing Time” were references to the “Over-Allotment Option Closing Time”, and such other certificates, opinions, agreements, materials or documents, in form and substance satisfactory to the Underwriters and their counsel, as the Underwriters or their counsel may reasonably request;
- (ii) the Company will deliver to BMO, on behalf of the Underwriters, a certificate or certificates in global form or, at the option of BMO, an instant deposit in electronic form representing the Additional Shares registered in the name of CDS or its nominee (or as directed in writing by BMO not less than one full Business Day before the Over-Allotment Option Closing Time); and
- (iii) BMO, on behalf of the Underwriters, will cause to be sent to the Company by wire transfer (or other means of providing immediately available funds) an amount representing the aggregate purchase price for the Additional Shares, net of the Underwriting Fee and other costs, fees and expenses to be paid or reimbursed by the Company and to be deducted from the aggregate purchase price pursuant to Section 17(d).

14. Restrictions on Further Issues or Sales

(a) During the period commencing on the date of this Agreement and ending on the date which is 180 days following the Closing Date, the Company will not, without the prior written consent of BMO and RBC, such consent not to be unreasonably withheld or delayed, directly or

indirectly, (i) issue, sell, offer to sell, grant or sell any option, warrant or other right for the purchase of, lend, transfer, assign or otherwise dispose of, any Shares or securities convertible, exchangeable or exercisable into Shares (collectively, the “**Company Securities**”) in a public offering or by way of private placement or otherwise, (ii) enter into any swap, short sale, hedge or other arrangement that transfers, in whole or in part, the economic consequence of ownership of Company Securities, whether or not cash settled, (iii) secure or pledge any Company Securities; or (iv) agree to or announce any intention to do any of the foregoing things. The foregoing prohibitions shall not apply to:

- (i) any grant of awards under employee, consultant, officer and director compensation and incentives pursuant to the Incentive Plans;
- (ii) any Shares issued to Eligible Policyholders pursuant to the Conversion Plan;
- (iii) any Shares issued to the Cornerstone Investors pursuant to the Cornerstone Private Placements; or
- (iv) any Shares to be issued under the Offering.

(b) Nothing in this Section 14 shall restrict the Company’s ability to file a preliminary base shelf prospectus and base shelf prospectus pursuant to National Instrument 44-102 – *Shelf Distributions* and a notice of intention to be qualified to file a short form prospectus under National Instrument 44-101 – *Short Form Prospectus Distributions* during the aforementioned period. For certainty, the Company will not be permitted to file a shelf prospectus supplement pursuant to National Instrument 44-102 – *Shelf Distributions* during the aforementioned period.

15. Indemnification

(a) Each of the Company and Economical Insurance (collectively, the “**Indemnifying Parties**”), on a joint and several basis, agrees to indemnify and save harmless each of the Underwriters and their respective affiliates and their respective directors, officers, employees, partners and agents (collectively, the “**Indemnified Parties**”) from and against any and all losses (other than losses of profit in connection with the Offering), claims, actions, suits, proceedings, charges, costs, damages, liabilities or expenses of whatsoever nature or kind, including the aggregate amount paid in settlement of, and the reasonable fees, disbursements and applicable sales, use, value-added or similar taxes thereon of counsel to the Indemnified Parties incurred in connection with, any action, suit, proceeding, investigation or claim that may be made or threatened against any Indemnified Party or to which any Indemnified Party may become subject or otherwise involved (collectively, a “**Claim**”) which are caused by, result from, arise out of or are otherwise based upon, directly or indirectly:

- (i) any breach of or default under any representation, warranty, covenant or agreement of an Indemnifying Party in this Agreement or any other document to be delivered in connection with this Agreement or the failure of an Indemnifying Party to comply with any of its obligations under this Agreement or under those other documents;
- (ii) the non-compliance or alleged non-compliance of an Indemnifying Party with any Securities Laws, any applicable U.S. Securities Laws or the

Demutualization Regulations, in each case relating to the distribution of the Offered Shares;

- (iii) any information or statement (except any Underwriters' Information) contained in any of the Offering Documents or any other certificate, document or material filed or delivered by or on behalf of an Indemnifying Party, either pursuant to this Agreement or in compliance or intended compliance with applicable Securities Laws relating to the distribution of the Offered Shares, being or being alleged to contain a misrepresentation, or any omission or alleged omission to state in any such document any material fact (except any omission of Underwriters' Information) required to be stated in those documents or necessary to make any of the statements therein not misleading in light of the circumstances in which they were made; or
- (iv) any order made or any inquiry, investigation or proceeding instituted, threatened or announced by any court, securities regulatory authority, stock exchange or any other Governmental Authority, based upon any misrepresentation or alleged misrepresentation (except a misrepresentation relating solely to the Underwriters' Information) in any of the Offering Documents or any other document or material filed or delivered by or on behalf of the Company, either pursuant to this Agreement or in compliance or intended compliance with applicable Securities Laws relating to the distribution of the Offered Shares, which operates to prevent or restrict the trading in or the distribution of the Offered Shares in any of the Qualifying Jurisdictions or the United States,

and will reimburse the Indemnified Parties for all reasonable costs, charges and expenses, as incurred, which any of the Indemnified Parties may pay or incur in connection with investigating or disputing any Claim or action related thereto (including, for greater certainty, enforcement of the rights of indemnity in respect of the Indemnifying Parties contained in this Section 15). This indemnity will be in addition to any liability which the Indemnified Parties may otherwise have.

(b) The rights of indemnity contained in Section 15(a)(iii) or (iv) in respect of a Claim that is based on an actual or alleged misrepresentation in the Supplemented Prospectus (such Claim, a "**Misrepresentation Claim**") shall not apply with respect to that Misrepresentation Claim if (i) the Company has filed, and obtained a receipt from the Principal Regulator for, a Prospectus Amendment to the Supplemented Prospectus that corrects the actual or alleged misrepresentation that is the basis of such Misrepresentation Claim (such Prospectus Amendment, the "**Correcting Prospectus**"), (ii) the Company has complied with each of Section 4(a) and (c) and Section 5, and has delivered to the Underwriters commercial copies of the Correcting Prospectus at least one Business Day prior to the Closing Date in a sufficient amount such that the Underwriters (or their Selling Firms) are able to satisfy the delivery obligation referred to in clause (iv) below, (iii) the person asserting such Misrepresentation Claim (the "**Claimant**") (y) purchased Offered Shares pursuant the Offering and (z) was not provided with a copy of the Correcting Prospectus, and (iv) such Correcting Prospectus was required under Securities Laws to be delivered by the Underwriters (or their Selling Firms, as applicable) to such Claimant.

(c) If and to the extent that a court of competent jurisdiction in a final judgement from which no appeal can be made or a regulatory authority in a final ruling from which no appeal can be made determines that a Claim resulted from the gross negligence, fraud or wilful misconduct of an Indemnified Party claiming indemnity, such Indemnified Party shall promptly reimburse to the Company any funds advanced to the Indemnified Party in respect of such Claim and the indemnity provided for in this Section 15 shall cease to apply to such Indemnified Party in respect of such Claim. For greater certainty, the Company and the Underwriters agree that they do not intend that any failure by the Underwriters to conduct such reasonable investigation as necessary to provide the Underwriters with reasonable grounds for believing the Offering Documents contained no misrepresentation shall constitute "gross negligence" or "wilful misconduct" for the purposes of this Section 15(b) or otherwise disentitle an Indemnified Party from indemnification hereunder.

(d) Each of the Indemnifying Parties hereby waives any rights it may have (i) of first requiring the Indemnified Party to proceed against or enforce any right, power, remedy or security or claim for payment from any other person before making a Claim against the Indemnifying Parties under this Section 15(d), and (ii) at Law to recover contribution from the Underwriters or any other Indemnified Party with respect to any liability of the Indemnified Parties by reason of or arising out of any misrepresentation in any Offering Document; provided, however, that the waiver in this clause (ii) shall not apply in respect of liability caused or incurred by reason of or arising out of any misrepresentation which is based upon or results from Underwriters' Information.

(e) If any Claim is asserted against any of the Indemnified Parties in respect of which indemnity is or might reasonably be sought pursuant to this Section 15(e), the applicable Indemnified Party will notify in writing the Indemnifying Parties, as soon as reasonably practicable, of the nature of the Claim; provided that any failure to so notify in respect of any potential or actual Claim will not affect the liability of the Indemnifying Parties under this Section 15(e) unless, and then only to the extent that, such failure materially prejudices the Indemnifying Parties' ability to defend the Claim and in any event shall not relieve the Indemnifying Parties from any liability that they may have otherwise than on account of this Section 15(e). The Indemnifying Parties will assume the defence on behalf of the Indemnified Party of any suit brought to enforce the Claim; provided, however, that (x) the defence will be through legal counsel acceptable to the Indemnified Party, acting reasonably, (y) the Indemnifying Parties shall bear the fees, costs and expenses of such defence, and (z) no admission of liability or settlement, compromise or termination of any Claim will be made by the Indemnifying Parties without, in each case, the prior written consent of all of the Indemnified Parties affected, acting reasonably, unless such settlement, compromise or judgment (i) includes an unconditional release of each Indemnified Party from all liability arising out of such Claim, and (ii) does not include a statement as to or an admission of fault, culpability or failure to act, by or on behalf of any Indemnified Party.

(f) With respect to any Claim, an Indemnified Party will have the right to employ separate counsel with respect to such Claim and to participate in its defence but the fees and expenses of that counsel will be at the expense of the applicable Indemnified Party unless:

- (i) the Indemnifying Parties fail(s) to assume the defence of the Claim on behalf of the Indemnified Party within 10 Business Days of receiving notice of the Claim; or
- (ii) the employment of that counsel has been authorized in writing by the Indemnifying Parties; or

- (iii) the named parties to the Claim (including any added or third parties) include both the Indemnified Party and the Indemnifying Parties, and such Indemnified Party has been advised in writing by counsel that (A) there may be one or more legal defences available to the Indemnified Party that are different from, in addition to or in conflict with those available to the Indemnifying Parties, or (B) representation of both the Indemnified Party and the Indemnifying Parties by the same counsel would be inappropriate due to their potential or actual interests.

In the cases of each of Sections 15(f)(i), (ii) or (iii), the Indemnifying Parties will be liable to pay the reasonable fees and expenses of one separate counsel for all Indemnified Parties and, in addition, of one local counsel in each applicable jurisdiction and will not have the right to assume the defence of the Claim on behalf of the Indemnified Party. Notwithstanding the foregoing, no settlement, compromise or termination of any Claim may be made by an Indemnified Party without, in each case, the prior written consent of the Indemnifying Parties, which consent will not be unreasonably withheld or delayed.

(g) The Indemnifying Parties hereby acknowledge and agree that, with respect to Sections 15 and 16, the Underwriters are contracting on their own behalf and as agents for the other Indemnified Parties not party to this Agreement (collectively, the “**Beneficiaries**”). In this regard, each of the Underwriters will act as trustee for the Beneficiaries of the covenants of the Indemnifying Parties under Sections 15 and 16 and accepts these trusts and will hold and enforce those covenants on behalf of the Beneficiaries.

(h) The rights accorded to the Indemnified Parties hereunder shall be in addition to any rights an Indemnified Party may have at common law or otherwise.

16. Contribution

(a) In order to provide for just and equitable contribution in circumstances in which an indemnity provided in Section 15 would otherwise be available in accordance with its terms but is held to be unavailable to or unenforceable by an Indemnified Party or enforceable otherwise than in accordance with its terms, the Underwriters and the Indemnifying Parties shall contribute to the aggregate of all Claims of the nature contemplated in Section 15 and suffered or incurred by the respective Indemnified Parties in such proportions so that the Underwriters are collectively responsible for that portion represented by the percentage that the aggregate Underwriting Fee bears to the total proceeds from the distribution of the Offered Shares (net of the Underwriting Fee but before deducting expenses) received by the Company, and the Indemnifying Parties will, subject to Section 16(b), be responsible for the balance, whether or not they have been sued together or sued separately.

(b) If the allocation provided by Section 16(a) is not permitted by applicable Law, the Indemnifying Parties and the Indemnified Parties shall contribute such proportions as is appropriate to reflect not only the relative benefits referred to in Section 16(a) but also the relative fault of the Indemnifying Parties, on the one hand, and the Underwriters, on the other hand, in connection with the Claim or Claims which resulted in such losses, claims, damages, liabilities, costs or expenses, as determined by final judgment of a court of competent jurisdiction, as well as any other relevant equitable considerations. The relative fault of the Indemnifying Parties, on the one hand, and of the Underwriters, on the other hand, shall be determined by reference to, among other things, whether the matters or things which resulted in such Claims relate to

information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Indemnifying Parties or to information supplied by or steps or actions taken or done or not taken or done by or on behalf of the Underwriters, and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or misrepresentation, or other matter or thing.

(c) Notwithstanding any other provision of this Section 16: (i) the Underwriters shall not in any event be liable to contribute, in the aggregate, any amount in excess of the aggregate Underwriting Fee or any portion thereof actually received by them in connection with the sale of the Offered Shares; (ii) each Underwriter shall not in any event be liable to contribute, individually, any amount in excess of such Underwriter's portion of the Underwriting Fee actually received by it in connection with the sale of the Offered Shares; and (iii) no party who has been determined by a court of competent jurisdiction in a final judgment from which no appeal can be made or a regulatory authority in a final ruling from which no appeal can be made to have engaged in any gross negligence, fraud or wilful misconduct shall be entitled to claim contribution from any person who has not been so determined to have engaged in such gross negligence, fraud or wilful misconduct.

(d) The rights to contribution provided in this Section 16 will be in addition to and not in derogation of any other right to contribution which the Indemnified Parties may have by statute or otherwise at law.

(e) The Underwriters agree that, if they are required to contribute in respect of a Claim pursuant to this Section 16, their respective contributions shall be allocated between them in accordance with their respective percentages as set out in Section 20(a).

17. Expenses

(a) Whether or not the transactions contemplated in this Agreement are consummated or this Agreement is terminated, but subject to Section 17(c), each of the Company and Economical Insurance, jointly and severally, covenants and agrees with the Underwriters that it will pay or cause to be paid all costs, fees and expenses of, or incidental to, the Offering and the other matters contemplated by this Agreement, will be borne by and be for the account of, the Company, including, without limitation:

- (i) the fees relating to listing the Offered Shares on the Exchange;
- (ii) all fees and other expenses payable in connection with the qualification of the distribution of the Offered Shares under Securities Laws;
- (iii) all fees and expenses of counsel for the Company Group (including local counsel);
- (iv) all reasonable fees and disbursements of the Underwriters' legal counsel;
- (v) all fees and expenses of the Auditor;
- (vi) all costs incurred in connection with the preparation, translation, filing, printing and delivery, as applicable, of the Offering Documents;

- (vii) all costs and expenses of or incidental to the preparation and issuance of any certificates evidencing the Offered Shares and the sale and delivery of the Offered Shares to the initial purchasers thereof in the manner contemplated by this Agreement;
- (viii) the fees and expenses of the Transfer Agent;
- (ix) the cost of making the Offered Shares eligible for clearance and settlement through the facilities of CDS;
- (x) all reasonable costs and out-of-pocket expenses associated with the marketing of the Offering;
- (xi) all reasonable costs relating to "road shows", including the Underwriters' reasonable travel expenses in connection therewith, information meetings and the preparation of audio-visual and other information meeting materials;

including any Canadian federal goods and services tax and harmonized sales tax and other sales or value added tax exigible in respect of any of the foregoing.

(b) Whether or not the transactions contemplated in this Agreement are consummated or if this Agreement is terminated, but subject to Section 17(c), the Company will reimburse the Underwriters for the costs, fees and expenses set forth in Section 17(a) that are reasonably incurred by the Underwriters in connection with the Offering.

(c) If the Closing occurs, (i) certain out-of-pocket expenses relating to the Offering shall be borne by the Underwriters as and to the extent provided in section 8(a)(i) of the engagement letter; and (ii) the Underwriters shall be solely responsible for all fees and disbursements of counsel to the Underwriters. If the Closing does not occur (i) due to a failure on the part of the Underwriters to perform their obligations under this Agreement, the Underwriters will be solely responsible for the fees and expenses of Underwriters' legal counsel; or (ii) due to the termination of this Agreement by the Underwriters pursuant to 19(a)(i) or 19(a)(iii), the Underwriters shall be responsible for any fees and expenses of counsel to the Underwriters in excess of \$750,000 (exclusive of federal goods and services tax, harmonized sales tax and provincial sales tax, if any).

(d) Any costs, fees or other expenses incurred by the Underwriters which are to be borne by the Company under this Section 17 shall be paid or reimbursed by the Company promptly upon receipt by the Company of a detailed invoice therefor from BMO, on behalf of the Underwriters, or, at the option of BMO, may be deducted from the aggregate purchase price for the Offered Shares payable by the Underwriters to the Company at the Closing Time in accordance with the terms hereof.

(e) Any costs, fees or other expenses incurred by the Company which are to be borne by the Underwriters under Section 17(c) shall be paid or reimbursed by the Underwriters promptly upon receipt by the Joint Bookrunners of a detailed invoice therefor from the Company, or, at the option of the Company, may be deducted from the aggregate fee payable by the Company to the Underwriters at the Closing Time in accordance with the terms hereof.

18. All Terms to be Conditions

Each of the Company and Economical Insurance will use its reasonable commercial efforts to cause all of the conditions contained in Section 11 to be complied with, in each case, insofar as those conditions relate to acts to be performed or caused to be performed by the Company or Economical Insurance, respectively. All representations, warranties, covenants and other terms of this Agreement shall be and shall be deemed to be conditions, and any material breach by the Company of, or failure by the Company to comply in any material respect with, any of them or any of the conditions contained in Section 11 will entitle any Underwriter, without limitation of any other remedies to the Underwriters, to terminate its obligations to purchase the Firm Shares and, if the Over-Allotment Option has been exercised, the Additional Shares, by giving written notice to that effect to the Company and the Joint Bookrunners at or prior to the Closing Time or, in the case of the Additional Shares, at or prior to the Over-Allotment Option Closing Time. It is understood that any Underwriter may waive, in whole or in part, or extend the time for compliance with, any of those terms and conditions without prejudice to such Underwriter's rights in respect of any of those terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on any such Underwriter any such waiver or extension must be in writing and signed by such Underwriter.

19. Termination by Underwriters in Certain Events

(a) In addition to any other remedies which may be available to the Underwriters, each Underwriter shall be entitled, at such Underwriter's sole option, to terminate and cancel, without any liability on such Underwriter's part, its obligations under this Agreement by giving written notice to that effect to the Company at or prior to the Closing Time, if, at or prior to the Closing Time:

- (i) the state of the financial markets in Canada or the United States is such that, in the reasonable opinion of the Underwriter, the Offered Shares cannot be profitably marketed;
- (ii) any inquiry, action, suit, investigation or other proceeding, whether formal or informal, is commenced or announced or any order or ruling is issued or made under or pursuant to any relevant statute or by any Governmental Authority (other than any proceeding, order or ruling based solely upon the activities or alleged activities of the Underwriters or their agents contrary to the terms of this Agreement), or there is any change of Law (or the interpretation or administration thereof), which, in the reasonable opinion of that Underwriter, operates, or would reasonably be expected to operate, to prevent or suspend, hinder, delay or restrict or otherwise materially adversely affect the distribution of or the trading in the Offered Shares;
- (iii) there should develop, occur or come into effect or existence any event, action, state, condition or major financial occurrence of national or international consequence (including any natural catastrophe) or any outbreak or escalation of national or international hostilities or any crisis or calamity or act of terrorism or similar event (including matters caused by, related to or resulting from the COVID-19 pandemic, or the escalation thereof, to the extent that there is any material adverse development related thereto occurring after the date of this Agreement) or any governmental action or change of applicable Law (or the interpretation or

administration thereof), which, in the reasonable opinion of that Underwriter, seriously adversely affects or involves, or would reasonably be expected to seriously adversely affect or involve, (A) the financial markets in Canada or the United States or (B) the business or the operations or affairs of the Company Group;

- (iv) there should occur or be announced by the Company or Economical Insurance any material change or a change in any material fact, whether or not arising in the Ordinary Course, or there is discovered any new material fact or any previously undisclosed material fact, which (A) has or, in the reasonable opinion of that Underwriter, would reasonably be expected to have a significant adverse effect on the market price or value of the Offered Shares, or (B) results in or, in the reasonable opinion of that Underwriter, would reasonably be expected to result in, the purchasers of a material number of Offered Shares exercising their right under Securities Laws to withdraw from or rescind their purchase of Offered Shares; or
- (v) the Minister does not issue the Letters Patent of Conversion, or the Conversion Plan does not otherwise become effective, at or prior to the Closing Time.

(b) If an Underwriter terminates its obligation under this Agreement pursuant to Section 18 or Section 19(a), there shall be no further liability on the part of that Underwriter or on the part of the Company to that Underwriter, except in respect of any liability which may have arisen or may later arise under Sections 15, 16 or 17.

(c) The right of the Underwriters or any of them to terminate their respective obligations under this Agreement is in addition to all other remedies that they may have in respect of any default, act or failure to act of the Company in respect of any of the matters contemplated by this Agreement or otherwise. A notice of termination given by one Underwriter under this Section 18 shall not be binding upon the other Underwriters who have not also executed such notice.

20. Obligations of the Underwriters to be Several; Authority of the Joint Bookrunners

(a) Subject to the terms and conditions of this Agreement, the obligation of the Underwriters to purchase the Firm Shares or the Additional Shares at the Closing Time or at the Over-Allotment Option Closing Time, as applicable, shall be several and not joint. The percentage of the Firm Shares and, if applicable, the Additional Shares to be severally purchased and paid for by each of the Underwriters at the Closing Time and the Over-Allotment Option Closing Time, respectively, shall be as follows:

- | | | |
|-------|-------------------------------|-------|
| (i) | BMO Nesbitt Burns Inc. | 30.0% |
| (ii) | RBC Dominion Securities, Inc. | 25.0% |
| (iii) | Barclays Capital Canada Inc. | 10.0% |
| (iv) | Scotia Capital Inc. | 10.0% |
| (v) | TD Securities Inc. | 10.0% |

(vi)	CIBC World Markets Inc.	4.0%
(vii)	National Bank Financial Inc.	4.0%
(viii)	UBS Securities Canada Inc.	3.0%
(ix)	Desjardins Securities Inc.	1.5%
(x)	Raymond James Ltd.	1.5%
(xi)	Canaccord Genuity Corp.	0.5%
(xii)	Cormark Securities Inc.	0.5%

(b) If an Underwriter (a “**Refusing Underwriter**”) does not complete the purchase and sale of the Offered Shares which that Underwriter has agreed to purchase under this Agreement (such Offered Shares that are not purchased being the “**Defaulted Shares**”), the remaining Underwriters (the “**Continuing Underwriters**”) will be entitled, at their option, to purchase all but not less than all of the Defaulted Shares on a *pro rata* basis according to the number of Offered Shares to have been acquired by the Continuing Underwriters under this Agreement or in any proportion agreed upon, in writing, by the Continuing Underwriters. If the Continuing Underwriters do not elect to purchase the Defaulted Shares:

- (i) the Continuing Underwriters will not be obliged to purchase any of the Offered Shares;
- (ii) the Company will not be obliged to sell less than all of the Offered Shares; and
- (iii) the Company will be entitled to terminate its obligations under this Agreement arising from its acceptance of this Agreement, in which event there will be no further liability on the part of the Company or the Continuing Underwriters, except pursuant to Sections 15, 16 and 17.

(c) Notwithstanding Section 20(b), if the total number of Defaulted Shares that the Refusing Underwriter fails to purchase at the Closing Time or, if applicable, the Over-Allotment Option Closing Time does not exceed 10% of the total number of Offered Shares to be purchased by the Underwriters under this Agreement on the Closing Date or the Over-Allotment Option Closing Date, as applicable, then the Company shall be entitled to require the Continuing Underwriters to purchase such Defaulted Shares *pro rata* according to the number of Offered Shares to have been acquired by the Continuing Underwriters under this Agreement or in any proportion agreed upon, in writing, by the Continuing Underwriters.

(d) In the event of any default by a Refusing Underwriter as described in Section 20(b), the Continuing Underwriters shall have the right to postpone the Closing Date or the Over-Allotment Option Closing Date, as the case may be, for not more than three Business Days in order that any changes in the arrangements or documents for the purchase and delivery of the applicable Offered Shares may be made. Nothing in this Section 20 shall relieve any Refusing Underwriter from liability in respect of its default hereunder to the Company or the Continuing Underwriters.

(e) Except as set forth in the immediately following sentence, the Joint Bookrunners are authorized by each of the other Underwriters to act on its behalf and the Company shall be entitled to and shall act on any notice given or agreement entered into by or on behalf of the Underwriters by the Joint Bookrunners in accordance with this Section 20(e). The Underwriters hereby grant the Joint Bookrunners irrevocable authority to bind the Underwriters hereunder, except in respect of (i) any initiation or rescission of a claim for indemnification or contribution, or any consent to a settlement, pursuant to Section 15 or 16 (which consent must be given by the Indemnified Party), (ii) any approval of Supplementary Material that amends or supplements the Preliminary Prospectus, the Amended Preliminary Prospectus the Base Prospectus, the Supplemented Prospectus, the Preliminary U.S. Private Placement Memorandum or the U.S. Private Placement Memorandum (which approval must be given by each Underwriter), (iii) a notice of termination pursuant to Section 18 or 19 (which notice may be given by any of the Underwriters) or a rescission of any such notice, (iv) any waiver of a condition contained in Section 11 pursuant to Section 18 or any amendment to this Agreement (which waiver or amendment must be signed by all of the Underwriters to be bound thereby), or (v) any purchase of Defaulted Shares pursuant to Section 20(b). The Joint Bookrunners shall consult reasonably with the other Underwriters concerning any matter in respect of which it acts as representative of the other Underwriters.

21. Stabilization

In connection with the distribution of the Offered Shares, the Underwriters and the Selling Firms, if any, may over-allocate or effect transactions which stabilize or maintain the market price of the Shares at levels other than those which might otherwise prevail in the open market, in compliance with Securities Laws and the rules and regulations of applicable stock exchanges. Those stabilizing transactions, if any, may be discontinued at any time.

22. Notice

(a) Any notice or other communication required or permitted to be given under this Agreement will be in writing and delivered to:

- (i) in the case of the Company:

Definity Financial Corporation
111 Westmount Road South
Waterloo, Ontario
N2J 4S4

Attention: Philip Mather
Email: philip.mather@economical.com

- (ii) in the case of BMO:

BMO-First Canadian Place
100 King Street West
5th Floor
Toronto, ON M5X 1A1

Attention: Bradley J. Hardie
Email: Brad.Hardie@bmo.com

- (iii) in the case of RBC:

RBC Dominion Securities
P.O. Box 50
Royal Bank Plaza
200 Bay St. Suite 3900, Toronto, ON
M5J 2T6

Attention: John Bylaard
Email: john.bylaard@rbccm.com

- (iv) in the case of Barclays:

333 Bay Street, Suite 4910
Toronto, ON M5H 2R2

Attention: Erik Charbonneau
Email: erik.charbonneau@barclays.com

- (v) in the case of Scotia:

40 King Street West, 64th Floor
Toronto, Ontario, Canada M5H 3Y2

Attention: Joe Kulic
Email: joe.kulic@scotiabank.com

- (vi) in the case of TD:

66 Wellington Street West, 9th Floor
Toronto, Ontario, Canada

Attention: R. Geoff Bertram
Email: geoff.bertram@tdsecurities.com

- (vii) in the case of CIBC World Markets Inc.:

161 Bay Street, 7th Floor
Toronto, ON M5J 2S8

Attention: Richard Finkelstein
Email: richard.finkelstein@cibc.com

- (viii) in the case of National Bank Financial Inc.:

1155 Metcalfe Street, 23rd Floor
Montréal, Québec, H3B 4S9

Attention: Maude Leblond
Email: maude.leblond@bnc.ca

- (ix) in the case of UBS Securities Canada Inc.

161 Bay St., Suite 4000
Toronto, ON M5J 2S1

Attention: Ben Metzler
Email: ben.metzler@ubs.com

- (x) in the case of Desjardins Securities Inc.:

25 York Street, Suite 1000
Toronto, Ontario M5J 2V5

Attention: William Tebbutt
Email: bill.tebbutt@desjardins.com

- (xi) in the case of Raymond James Ltd.:

Scotia Plaza,
40 King St. W.
Toronto ON M5H 3Y2

Attention: Sean C. Martin
Email: sean.martin@raymondjames.ca

- (xii) in the case of Canaccord Genuity Corp.:

161 Bay Street, Suite 3000
Toronto, ON M5J 2S1

Attention: Michael Shuh
Email: mshuh@cfg.com

- (xiii) in the case of Cormark Securities Inc.:

Royal Bank Plaza, North Tower
200 Bay Street, Suite 1800
Toronto, ON M5J 2J2

Attention: Alfred Avanessy
Email: aavanessy@cormark.com

- (xiv) in the case of clause (i), with a copy (which will not constitute notice) to:

Blake, Cassels & Graydon LLP
199 Bay Street, Suite 4000
200 Commerce Court West
Toronto, ON
M5L 1A9

Attention: Catherine Youdan
Email: catherine.youdan@blakes.com

and to:

Shearman & Sterling LLP
199 Bay Street, Suite 4405
Toronto, Ontario
M5L 1E8

Attention: Jason Lehner
Email: jlehner@shearman.com

- (xv) in the case of clauses (ii) to (xiii), with a copy (which will not constitute notice) to:

Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, Ontario
M5V 3J7

Attention: David Wilson
Email: dwilson@dwpv.com

(b) The parties may change their respective addresses for notices by notice given in the manner set out above. Any notice or other communication will be in writing, and unless delivered personally to the addressee or to a responsible officer of the addressee, as applicable, will be given by email and will be deemed to have been given when (i) in the case of a notice delivered personally to a responsible officer of the addressee, when so delivered, and (ii) in the case of a notice delivered or given by email, if sent on a Business Day before 4:30 p.m. (local time at the place of receipt), on that day and, in any other case, on the first Business Day following the day on which it is sent.

23. Relationship Between the Parties

(a) Each of the Company and Economical Insurance hereby acknowledges and agrees that, in connection with the Offering and the purchase and sale of the Offered Shares pursuant to this Agreement, the Underwriters are acting solely as underwriters and that (i) the Underwriters are not advising the Company, Economical Insurance or any of their respective Subsidiaries as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction in connection with the Transactions (irrespective of whether any Underwriter has advised or is currently advising the Company, Economical Insurance or any of their respective Subsidiaries on related or other matters) and (ii) each of the Company and Economical Insurance shall consult with its own advisors concerning any legal, tax, investment, accounting or regulatory matters in respect of, and shall solely be responsible for making its own independent investigations and appraisals of, the Transactions, and the Underwriters shall have no responsibility or liability to the Company, Economical Insurance or any of their respective Subsidiaries or their respective directors, officers, employees, shareholders, policyholders or creditors with respect thereto. Any opinions or views expressed by the Underwriters to the Company, Economical Insurance or any of their respective Subsidiaries regarding the Transactions, including any opinions or views with respect to the price or market for the Offered Shares, do not constitute advice or recommendations to the Company, Economical Insurance or any of their respective Subsidiaries. Any review by the Underwriters of the Company, Economical Insurance or any of their respective Subsidiaries, the Transactions or other matters relating thereto, in connection with the Offering, this Agreement or otherwise in their capacity as underwriters of the Offering, will be performed

solely for the benefit of the Underwriters and shall not be on behalf of the Company, Economical Insurance or any of its Subsidiaries.

(b) Each of the Company and Economical Insurance further acknowledges and agrees that (i) the Underwriters are acting pursuant to a contractual relationship created solely by this Agreement entered into on an arm's length basis and the Underwriters' responsibility to the Company and Economical Insurance is solely contractual in nature, (ii) the Underwriters and the Selling Firms, if any, and their respective affiliates may be engaged in a broad range of transactions that involve interests that differ from those of the Company, Economical Insurance or their respective Subsidiaries, (iii) in connection with the purchase and sale of the Offered Shares pursuant to this Agreement and the related process leading thereto, each Underwriter has been acting solely as a principal and is not the agent or fiduciary of the Company, Economical Insurance or any of their respective Subsidiaries, or any of their respective, directors, officers, employees, shareholders, policyholders or creditors or any other person, (iv) no Underwriter has assumed or will assume an advisory, agency or fiduciary responsibility in favor of the Company, Economical Insurance or any of their respective Subsidiaries, or any of their respective directors, officers, employees, shareholders, policyholders or creditors, with respect to the Offering (including the resale of the Offered Shares by the Underwriters and the Selling Firms, if any) or the related process leading thereto (irrespective of whether any Underwriter has advised or is currently advising the Company, Economical Insurance or any of their respective Subsidiaries on related or other matters), (v) no Underwriter has any obligation to the Company (x) with respect to the Offering except the obligations set forth in this Agreement or, (y) in connection with the Offering, this Agreement or otherwise in their capacity as underwriters of the Offering, with respect to any of the other Transactions, and (vi) in no event do the parties intend that the Underwriters act or be responsible as an advisor, agent or fiduciary to the Company, Economical Insurance or any of their respective Subsidiaries, or any of their respective, directors, officers, employees, shareholders, policyholders or creditors or any other person, in connection with any activity that the Underwriters may undertake or have undertaken in furtherance of the Offering (including the resale of the Offered Shares by the Underwriters and the Selling Firms, if any), either before or after the date hereof. In connection with the Offering, this Agreement or otherwise in their capacity as underwriters of the Offering, the Underwriters hereby expressly disclaim any advisory, agency, fiduciary or similar duties and obligations to the Company, Economical Insurance or any of their respective Subsidiaries, or their respective, directors, officers, employees, shareholders, policyholders or creditors or any other person, either in connection with the Transactions or any matters leading up to or following consummation of the Transactions. Each of the Company and Economical Insurance (x) agrees that it will not claim that the Underwriters or any Selling Firm owe, and (y) waives and releases, to the fullest extent permitted by applicable Law, any claims that it may have against the Underwriters or any Selling Firm arising from any breach or alleged breach of, any advisory, agency, fiduciary or similar duty to the Company, Economical Insurance or any of their respective Subsidiaries or any of their respective directors, officers, employees, shareholders, policyholders or creditors or any other person in connection with the Transactions. Each of the Company and Economical Insurance further agrees that no Underwriter or Selling Firm, if any, shall have any liability (whether direct or indirect) (i) to the Company, Economical Insurance or any of their respective Subsidiaries or any of their respective directors, officers, employees, shareholders, policyholders or creditors in respect of any claim that it owed or breached an advisory, agency, fiduciary or similar duty or obligation to any of the Company, Economical Insurance or any of their respective Subsidiaries in connection with the Offering, this Agreement or otherwise in its capacity as an underwriter of the Offering or as a Selling Firm or (ii) to any person asserting such a claim on behalf of or in right of the Company, Economical Insurance or any of their respective Subsidiaries, including by way of a derivative action in the name and on behalf of the Company, Economical Insurance or any of their respective

Subsidiaries or other intervention in an action under the ICA to which the Company, Economical Insurance or any of their respective Subsidiaries is a party.

24. Miscellaneous

(a) This Agreement shall be interpreted and enforced in accordance with, and the respective rights and obligations of the parties shall be governed by, the laws of the Province of Ontario and the federal laws of Canada applicable in that province. Each of the parties irrevocably and unconditionally (i) submits to the non-exclusive jurisdiction of the courts of the Province of Ontario over any action or proceeding arising out of or relating to this Agreement, (ii) waives any objection that it might otherwise be entitled to assert to the jurisdiction of such courts, and (iii) agrees not to assert that such courts are not a convenient forum for the determination of any such action or proceeding.

(b) National Bank Financial Inc. ("**National Bank**") or affiliates thereof may own or control an equity interest in TMX Group Limited ("**TMX Group**") and may have a nominee director serving on the TMX Group's board of directors. As such, National Bank may be considered to have an economic interest in the listing of securities on any exchange owned or operated by TMX Group, including the Exchange, the TSX Venture Exchange and the Alpha Exchange. No person is required to obtain products or services from TMX Group or any of its affiliates as a condition of National Bank supplying or continuing to supply a product or service. National Bank does not require the Company to list securities on any of such exchange as a condition of supplying or continuing to supply underwriting or any other services.

(c) Except as provided in Section 20(e), no amendment or waiver of any provision of this Agreement shall be binding on any party hereto unless consented to in writing by such party. No waiver of any provision of this Agreement shall constitute a waiver of any other provision, nor shall any waiver of any provision of this Agreement constitute a continuing waiver unless otherwise expressly provided.

(d) Time shall be of the essence of this Agreement and, following any waiver or indulgence by any party, time shall again be of the essence of this Agreement.

(e) Each of the parties will be entitled to rely on delivery of a facsimile copy or a portable document format (PDF) copy of this Agreement delivered by email and acceptance by each party of any such facsimile or PDF copy will be legally effective to create a valid and binding agreement between the parties in accordance with the terms of this Agreement.

(f) This Agreement constitutes the entire agreement among the parties hereto with respect to the Offering and supersedes all prior agreements, understandings, negotiations and discussions, whether written or oral, between the Company and Economical Insurance, on the one hand, and the Underwriters, on the other hand, with respect to their respective rights and obligations in respect of the Offering, except for section 8(a)(i) of the engagement letter and provisions of the engagement letter that by their terms, do not terminate and survive the execution of this Agreement and the provisions of the engagement letter imported herein. There are no conditions, covenants, agreements, representations, warranties or other provisions, express or implied, collateral, statutory or otherwise, relating to the subject matter hereof and thereof except as provided herein or therein. This Agreement, including Section 15, Section 16, Section 17 and Section 23, does not supersede or derogate in any way from any rights or obligations of any of BMO, RBC or Economical Insurance, as applicable, under such agreements or arrangements as are set out in Section 24(f) of Schedule E.

(g) This Agreement will not be assignable by any party without the written consent of the others and any purported assignment of this Agreement without that consent will be invalid and of no force and effect.

(h) If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable in any respect, all other provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any party hereto.

(i) This Agreement and all documents contemplated by or delivered under or in connection with this Agreement may be executed and delivered in any number of counterparts, with the same effect as if all parties had signed and delivered the same document, and all counterparts shall be construed together to be an original and will constitute one and the same agreement.

(j) Upon completion of the Offering, the Company acknowledges that the Underwriters will be entitled to publish, at their own expense, such advertisements and announcements relating to the services that they provided in connection with the Offering in such newspaper or other publications as the Underwriters consider desirable or appropriate, provided that such advertisements and announcements do not attribute any statement to the Company. Each of the Underwriters acknowledge and agree that it shall not publish any press release relating to the services that it provided in connection with the Offering without the prior written consent of the Company, not to be unreasonably withheld.

(The remainder of this page is intentionally left blank; signature page follows.)

If this Agreement accurately reflects the terms of the transactions which we are to enter into and are agreed to by you, please communicate your acceptance by executing the enclosed copies of this Agreement where indicated and returning them to the Joint Bookrunners, on behalf of the Underwriters.

Yours very truly,

BMO NESBITT BURNS INC.

By: (signed) "Bradley J. Hardie"

Name: Bradley J. Hardie

Title: Managing Director, Head of North
American Financial Institutions,
Investment Banking

RBC DOMINION SECURITIES INC.

By: (signed) "John Bylaard"

Name: John Bylaard

Title: Managing Director, Head of
Canadian Financial Services,
Investment Banking

BARCLAYS CAPITAL CANADA INC.

By: (signed) "Erik Charbonneau"

Name: Erik Charbonneau

Title: Managing Director, Head of
Equity Capital Markets, Canada

SCOTIA CAPITAL INC.

By: (signed) "Joe Kulic"

Name: Joe Kulic

Title: Managing Director, Financial
Institutions Corporate and Investment
Banking

TD SECURITIES INC.

By: (signed) "R. Geoff Bertram"

Name: R. Geoff Bertram

Title: Managing Director Head of
Financial Institutions Group

CIBC WORLD MARKETS INC.

By: (signed) "Richard Finkelstein"

Name: Richard Finkelstein

Title: Managing Director

NATIONAL BANK FINANCIAL INC.

By: (signed) "Maude Leblond"

Name: Maude Leblond

Title: Managing Director & Head,
Financial Institutions & Securitization

UBS SECURITIES CANADA INC.

By: (signed) "Ben Metzler"

Name: Ben Metzler

Title: Executive Director

By: (signed) "Josh Fritz"

Name: Josh Fritz

Title: Associate Director

DESJARDINS SECURITIES INC.

By: *(signed)* "William Tebbutt"

Name: William Tebbutt

Title: Managing Director, Investment
Banking

RAYMOND JAMES LTD.

By: *(signed)* "Sean C. Martin"

Name: Sean C. Martin

Title: Managing Director, Head of
Canadian Financial Institutions &
Fintech

CANACCORD GENUITY CORP.

By: *(signed)* "Michael Shuh"

Name: Michael Shuh

Title: Managing Director, Investment
Banking & Head of Financial
Institutions

CORMARK SECURITIES INC.

By: *(signed)* "Alfred Avanesy"

Name: Alfred Avanesy

Title: Managing Director, Head of
Investment Banking

Accepted and agreed to by the undersigned as of the date of this Agreement first written above.

DEFINITY FINANCIAL CORPORATION

by (signed) "Rowan Saunders"

Name: Rowan Saunders

Title: President and Chief Executive Officer

(signed) "Philip Mather"

Name: Philip Mather

Title: Executive Vice-President and Chief Financial Officer

ECONOMICAL MUTUAL INSURANCE COMPANY

by (signed) "Rowan Saunders"

Name: Rowan Saunders

Title: President and Chief Executive Officer

(signed) "Philip Mather"

Name: Philip Mather

Title: Executive Vice-President and Chief Financial Officer

SCHEDULE A
SIGNIFICANT SUBSIDIARIES

Sonnet Insurance Company
TEIG Investment Partnership
Petline Insurance Company

**SCHEDULE B
UNITED STATES OFFERS AND SALES**

1. Interpretation

(a) As used in this Schedule B, the following terms shall have the meanings indicated:

“Directed Selling Efforts” means **“directed selling efforts”** as that term is defined in Rule 902(c) of Regulation S;

“Foreign Private Issuer” shall have the meaning ascribed thereto in Rule 405 under the U.S. Securities Act;

“General Solicitation” and **“General Advertising”** mean **“general solicitation”** and **“general advertising”**, respectively, as used in Rule 502(c) under the U.S. Securities Act, including advertisements, articles, notices or other communications published in any newspaper, magazine or similar media or broadcast over radio, television or the internet, or any seminar or meeting whose attendees had been invited by general solicitation or general advertising or in any other manner involving a public offering within the meaning of Section 4(a)(2) of the U.S. Securities Act;

“Qualified Institutional Buyer” means a “qualified institutional buyer” as that term is defined in Rule 144A;

“Regulation S” means Regulation S adopted by the SEC under the U.S. Securities Act;

“Rule 144A” means Rule 144A adopted by the SEC under the U.S. Securities Act;

“SEC” means the United States Securities and Exchange Commission;

“Substantial U.S. Market Interest” means **“substantial U.S. market interest”** as that term is defined in Rule 902(j) of Regulation S;

“United States” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia;

“U.S. Affiliate” of any Underwriter means the U.S. registered broker-dealer affiliate of such Underwriter;

“U.S. Exchange Act” means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder;

“U.S. Investment Company Act” means the United States Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder; and

“U.S. Securities Act” means the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

(b) All other capitalized terms used but not otherwise defined in this Schedule B shall have the meanings assigned to them in the underwriting agreement to which this Schedule B is attached (the **“Underwriting Agreement”**).

2. Representations, Warranties and Covenants of the Underwriters

Each Underwriter, severally and not jointly, acknowledges that the Offered Shares have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold to any person within the United States except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, each Underwriter, severally but not jointly, represents, warrants and covenants to and with the Company that:

- (a) It has offered and sold and will offer and sell the Offered Shares only (i) outside the United States in an “**offshore transaction**” in accordance with Rule 903 of Regulation S, or (ii) in the United States as provided in this Schedule B. Accordingly, neither the Underwriters, nor their U.S. Affiliates, nor any persons acting on their behalf: (i) have engaged or will engage in any Directed Selling Efforts; or (ii) except as permitted by this Schedule B, have made or will make (x) any offers to sell Offered Shares in the United States, or (y) any sale of Offered Shares unless at the time the purchaser made its buy order therefor, the Underwriters, their U.S. Affiliates or other person acting on any of their behalf reasonably believed that such purchaser was outside the United States.
- (b) Any offer, sale or solicitation of an offer to buy Offered Shares that has been made or will be made in the United States, was or will be made only to Qualified Institutional Buyers in transactions that are exempt from registration pursuant to Rule 144A and exempt from registration under all applicable state securities laws. The Underwriters acknowledge that Rule 144A is a resale exemption and, accordingly, any Offered Shares sold to Qualified Institutional Buyers pursuant to Rule 144A will be sold by the Company to the Underwriters, as principal, and then resold by the Underwriters to the Qualified Institutional Buyers, with the U.S. Affiliate acting as the Underwriter’s selling agent for purposes of the Rule 144A resale transaction.
- (c) Immediately prior to soliciting such offerees, the Underwriter and its U.S. Affiliate had reasonable grounds to believe and did believe that each offeree was a Qualified Institutional Buyer.
- (d) All offers and sales of the Offered Shares in the United States by it will be effected by or through a U.S. Affiliate of the Underwriter, duly registered under the U.S. Exchange Act and applicable state securities laws (unless exempted from such registration requirements), or by the Underwriters pursuant to Rule 15a-6 under the U.S. Exchange Act and will be effected in accordance with all applicable U.S. broker dealer requirements.
- (e) At the Closing Time and the Over-Allotment Option Closing Time, if applicable, each Underwriter whose U.S. Affiliate offered or sold Offered Shares in the United States will provide a certificate, substantially in the form of Exhibit A to this Schedule B relating to the manner of the offer and sale of the Offered Shares in the United States (or be deemed to have represented and warranted that neither it nor its U.S. Affiliate has offered or sold Offered Shares in the United States).

- (f) The Underwriter, its U.S. Affiliate and any person acting on their behalf have not and will not use any form of General Solicitation or General Advertising in connection with the offer or sale of the Offered Shares in the United States.
- (g) The Underwriter or its U.S. Affiliate shall inform any or all purchasers to whom it sells Offered Shares in the United States that such securities have not been and will not be registered under the U.S. Securities Act and are being sold to it in reliance on the exemption from registration under the U.S. Securities Act provided by Rule 144A.
- (h) Prior to confirming any sales to such investors, the Underwriter shall cause its U.S. Affiliate to deliver a copy of the U.S. Private Placement Memorandum and any amendment to the U.S. Private Placement Memorandum (including any Prospectus Amendment), to each of its offerees in the United States who purchases Offered Shares.
- (i) The Underwriter has not entered and will not enter into any contractual arrangement with respect to the distribution of the Offered Shares, except with its U.S. Affiliate, and selling group members or with the prior written consent of the Company. The Underwriter shall cause each of its U.S. Affiliates who may offer to sell Offered Shares to agree, for the benefit of the Company, to comply with, and shall use its best efforts to ensure that each U.S. Affiliate complies with, the same provisions as are contained in paragraphs 2(a) through 2(j) of this Schedule B.
- (j) The Underwriter shall deliver to the Company at the Closing Time and the Over-Allotment Option Closing Time, if applicable, a U.S. Purchaser Letter, substantially in the form attached as Exhibit A to the U.S. Private Placement Memorandum, executed by each person who has purchased Offered Shares from such Underwriter or its U.S. Affiliate in the United States (each, a “**U.S. Purchaser Letter**” and collectively, the “**U.S. Purchaser Letters**”).
- (k) Neither the Underwriter nor any of its U.S. Affiliates, nor any person acting on their behalf (other than the Company and its affiliates, as to whom no representation and warranty is made) has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the Offering.

3. Representations, Warranties and Covenants of the Company

The Company represents, warrants, covenants and agrees that:

- (a) The Company is a Foreign Private Issuer with no Substantial U.S. Market Interest in any of its securities.
- (b) For so long as the Offered Shares which have been sold in the United States pursuant hereto are “**restricted securities**” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and if the Company is neither (i) subject to and in compliance with the reporting requirements of Section 13 or 15(d) of the U.S. Exchange Act, nor (ii) exempt from such reporting requirements pursuant to Rule 12g3-2(b) thereunder, the Company shall provide to any holders of the Offered Shares which have been sold in the United States pursuant hereto, or to any prospective purchasers of the Offered Shares designated by such holders,

upon request of such holders or prospective purchasers, at or prior to the time of resale, the information required to be provided by Rule 144A(d)(4) under the U.S. Securities Act (so long as such requirement is necessary in order to permit holders of the Offered Shares to effect resales under Rule 144A), it being understood that no such resales are permitted pursuant to the terms of the U.S. Purchaser Letters).

- (c) Neither the Company nor any of its affiliates, nor any person acting on their behalf (other than the Underwriters and their U.S. Affiliates, as to whom no representation and warranty is made) has engaged or will engage in any Directed Selling Efforts with respect to the Offered Shares or in any form of General Solicitation or General Advertising with respect to offers or sales of the Offered Shares in the United States.
- (d) The Offered Shares are not and no securities of the same class as the Offered Shares are (i) listed on a national securities exchange in the United States registered under Section 6 of the U.S. Exchange Act, (ii) quoted in an “automated inter dealer quotation system”, as such term is used in the U.S. Exchange Act, or (iii) convertible or exchangeable at an effective conversion premium (calculated as specified in paragraph (a)(6) of Rule 144A) of less than ten percent for securities so listed or quoted.
- (e) The Offered Shares satisfy the requirements set forth in Rule 144A(d)(3) under the U.S. Securities Act.
- (f) The Company is not now and as a result of the sale of the Offered Shares contemplated hereby will not be, an open ended investment company, closed end investment company, unit investment trust or face amount certificate company that is or is required to be registered under Section 8 of the U.S. Investment Company Act.
- (g) Neither the Company nor any of its affiliates, nor any person acting on their behalf (other than the Underwriters and their U.S. Affiliates, as to whom no representation and warranty is made) has engaged or will engage in any violation of Regulation M under the U.S. Exchange Act in connection with the Offering.
- (h) None of the Company, its affiliates or any person acting on its or their behalf (other than the Underwriters and their U.S. Affiliates, as to whom no representation and warranty is made) have taken, or will take, any action that would cause any applicable exemptions or exclusions from registration, including those available under Rule 903 of Regulation S or Rule 144A, to be unavailable for the offer and sale of the Offered Shares pursuant to the Underwriting Agreement.
- (i) The Company shall, within the prescribed time periods, prepare and file any forms or notices required under the U.S. Securities Act or any state securities laws in connection with the offer and sale of the Offered Shares by the Company to the Underwriters in the United States.

**EXHIBIT A TO SCHEDULE B
UNDERWRITER'S CERTIFICATE**

In connection with the private placement in the United States of the Offered Shares (as defined in the Underwriting Agreement) of Definity Financial Corporation (the "**Company**") pursuant to the Underwriting Agreement dated November 17, 2021 between the Company and the Underwriters named therein (the "**Underwriting Agreement**"), each of the undersigned hereby certifies as follows:

- (a) **[Name of U.S. Affiliate]** is a duly registered broker or dealer with the United States Securities and Exchange Commission and is a member of and in good standing with the Financial Industry Regulatory Authority, Inc. on the date hereof;
- (b) each person in the United States to whom we offered the Offered Shares, prior to the time of such offeree's purchase of Offered Shares, was provided with a copy of the U.S. private placement memorandum (the "**U.S. Private Placement Memorandum**"), for the offering of the Offered Shares in the United States, and no other written material was used in connection with the offer or sale of Offered Shares in the United States (other than the Marketing Documents or standard term sheets, preliminary prospectus notices or final prospectus notices (each, as defined in National Instrument 41-101 – *General Prospectus Requirements*));
- (c) immediately prior to our transmitting such U.S. Private Placement Memorandum to such offerees, we had reasonable grounds to believe and did believe that each such offeree was, and continue to believe that each such offeree is, a "**qualified institutional buyer**", as defined in Rule 144A under the United States Securities Act of 1933, as amended;
- (d) no form of General Solicitation or General Advertising was used by us in connection with the offer or sale of the Offered Shares in the United States; and
- (e) the offering of the Offered Shares in the United States has been conducted by us in accordance with the terms of the Underwriting Agreement.

Terms used in this certificate have the meanings given to them in the Underwriting Agreement unless otherwise defined herein.

DATED this ■ day of ■, ■.

[UNDERWRITER]

[U.S. AFFILIATE]

by

by

Name:
Title:

Name:
Title:

**SCHEDULE C-1
LOCK-UP PARTIES**

- 1) HOOPP
- 2) Swiss Re
- 3) Directors
 - 1) John Bowey
 - 2) Rowan Saunders
 - 3) Elizabeth DelBianco
 - 4) Dan Fortin
 - 5) Barbara Fraser
 - 6) Dick Freeborough
 - 7) Michéal Kelly
 - 8) Robert McFarlane
 - 9) Susan Monteith
 - 10) Michael Stramaglia
- 4) Officers
 - 1) Philip Mather
 - 2) Fabian Richenberger
 - 3) Paul MacDonald
 - 4) Innes Dey
 - 5) Roger Dunbar
 - 6) Tatjana Lalkovic
 - 7) Liam McFarlane
 - 8) Brigid Pelino
 - 9) Hans Reidl
 - 10) Tom Reikman

**SCHEDULE C-2
DIRECTOR/OFFICER FORM OF LOCK-UP AGREEMENT**

■, 2021

BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Barclays Capital Canada Inc.
Scotia Capital Inc.
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
UBS Securities Canada Inc.
Desjardins Securities Inc.
Raymond James Ltd.
Canaccord Genuity Corp.
Cormark Securities Inc.

Re: Proposed Initial Public Offering of Common Shares of Definity Financial Corporation

Ladies and Gentlemen:

Reference is made to the underwriting agreement (the “**Underwriting Agreement**”) dated November 17, 2021 between Definity Financial Corporation (the “**Company**”), Economical Mutual Insurance Company and BMO Nesbitt Burns Inc. (“**BMO**”), RBC Dominion Securities Inc. (“**RBC**”), Barclays Capital Canada Inc., Scotia Capital Inc., TD Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., UBS Securities Canada Inc., Desjardins Securities Inc., Raymond James Ltd., Canaccord Genuity Corp. and Cormark Securities Inc. (collectively, the “**Underwriters**”) entered into in connection with the proposed initial public offering (the “**Offering**”) of common shares (each, a “**Share**”) of the Company.

The undersigned is or may become the registered holder and/or beneficial owner of certain securities of the Company or securities convertible into or exchangeable or exercisable therefor. For purposes of this lock-up agreement (this “**Agreement**”), the term “**Subject Security**” shall mean any security of the Company, including any Share or any preferred share, right, warrant, option or other similar instrument, and any instruments convertible into or exercisable or exchangeable for Shares or other equity securities of the Company.

The undersigned understands that the Offering will be of benefit to the undersigned and the Company. The undersigned acknowledges that the Underwriters are and will be relying on the representations, warranties and agreements of the undersigned contained herein in carrying out the Offering and in entering into the Underwriting Agreement.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that he, she or it will not, whether for his, her or its own account or for the account of another, and,

as applicable, will cause any spouse, immediate family member or immediate family member of the spouse or the undersigned living in the undersigned's household, or any trust of which any of the foregoing individuals are beneficiaries, to not in any manner, without the prior written consent of BMO and RBC, on behalf of the Underwriters, for a period commencing on the date hereof and continuing through the close of trading on the facilities of the Toronto Stock Exchange (and any other stock exchange on which the Shares are then listed and posted for trading) on the date that is 180 days after the date of the closing of the Offering, directly or indirectly, (a) offer to sell, sell, or grant any option, warrant or other right to purchase (including without limitation any put option or call option), or otherwise lend, transfer, assign, pledge or dispose of any Subject Security, whether currently owned or hereafter acquired, directly or indirectly, either of record or beneficially by the undersigned (or such spouse or family member, as applicable) or with respect to which the undersigned (or such spouse or family member, as applicable) has or hereafter acquires the power of disposition; (b) enter into any swap, short sale, hedge or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Subject Security, whether any such swap or transaction is to be settled by delivery of Subject Securities, in cash or otherwise; (c) agree to or publicly announce an intention to do any of the foregoing; or (d) act jointly or in concert with any third party with respect to any of the matters set forth hereinabove.

The preceding paragraph shall not apply to: (a) *bona fide* gifts to the immediate family of the undersigned, provided the recipient thereof agrees in writing with the Underwriters to be bound by the terms of this Agreement; (b) transfers to (i) any trust for the direct or indirect benefit of the undersigned and/or the immediate family of the undersigned, as applicable, or (ii) corporations, partnerships or other entities controlled by the undersigned, provided, in each case, that such trust or corporation, partnership or other entity agrees in writing with the Underwriters to be bound by the terms of this Agreement; (c) transfers to any beneficiary of, or estate of a beneficiary of, the undersigned pursuant to a trust, will, other testamentary document or intestate succession or applicable laws of descent, provided, in each case, that such beneficiary or estate agrees in writing with the Underwriters to be bound by the terms of this Agreement; (d) transfers that occur by operation of law, such as pursuant to a qualified domestic order of a court or regulatory agency, provided, in each case, that such transferee agrees in writing with the Underwriters to be bound by the terms of this Agreement; (e) any exercise of options to purchase Shares or other awards pursuant to any equity incentive plan of the Company, or the conversion or exchange of any security or instrument held by the undersigned into or for Shares, provided that any Shares received pursuant to any such exercise, exchange or conversion shall be subject to the terms of this Agreement; (f) the receipt by the undersigned of Shares upon the vesting of deferred share units of the Company, provided that any such Shares so received shall be subject to the terms of this Agreement; or (g) any transfer pursuant to a *bona fide* third party take-over bid made in accordance with applicable securities laws, plan of arrangement or similar acquisition transaction, in each case, involving a change of control of the Company that is made available to all shareholders of the Company, provided that in the event that any such transaction is not completed, any Subject Security held by the undersigned shall remain subject to the restrictions contained in this Agreement. For purposes of this paragraph, the term "**immediate family**" shall mean the spouse, domestic partner, any lineal descendent, father, mother, brother or sister of the undersigned. For the avoidance of doubt, the obligations of the undersigned set forth in this paragraph are in addition to, and not in substitution for, any other restrictions applicable to the transfer of Shares.

The obligations of the undersigned under this Agreement may be waived in writing in whole or in part by BMO and RBC, on behalf of the Underwriters, in their sole discretion.

The undersigned hereby represents and warrants that (a) the undersigned has full power and authority to enter into this Agreement, and (b) this Agreement constitutes a legal, valid and binding obligation of the undersigned, enforceable in accordance with its terms. The undersigned hereby agrees that, upon request, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof.

This Agreement is irrevocable and will be binding on the undersigned and the respective successors, heirs, personal representatives, and assigns of the undersigned; provided, however, that the undersigned shall not assign this Agreement without the prior written consent of BMO and RBC, on behalf of the Underwriters.

This Agreement and the rights and obligations of the undersigned shall be governed and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All matters relating hereto shall be submitted to the court of appropriate jurisdiction in the Province of Ontario for the purpose of this Agreement and for all related proceedings.

This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any prior agreement, representation or undertaking with respect to such subject matter. Unless otherwise specifically contemplated herein, this agreement may not be changed, amended or modified, except with the express written consent of the undersigned and BMO and RBC.

The undersigned requests and agrees that this Agreement and all correspondence and all documentation relating to this Agreement be written in the English language. Les parties aux présentes ont exigé que la présente entente, de même que toute la correspondance et la documentation relative à cette entente, soient rédigées en langue anglaise.

This Agreement may be executed in any number of counterparts, each of which when delivered, either in original, recorded electronic transmission or facsimile form, shall be deemed to be an original and all of which together shall constitute one and the same document. This Agreement may be executed by facsimile or PDF signature and as so executed shall constitute an original.

[Signature Page Follows.]

DATED as of the date first written above.

Yours truly,

[Securityholder Name]

Schedule C-3
CORNERSTONE INVESTOR FORM OF LOCK-UP AGREEMENT

■, 2021

BMO Nesbitt Burns Inc.
RBC Dominion Securities Inc.
Barclays Capital Canada Inc.
Scotia Capital Inc.
TD Securities Inc.
CIBC World Markets Inc.
National Bank Financial Inc.
UBS Securities Canada Inc.
Desjardins Securities Inc.
Raymond James Ltd.
Canaccord Genuity Corp.
Cormark Securities Inc.

Re: Proposed Initial Public Offering of Common Shares of Definity Financial Corporation

Ladies and Gentlemen:

Reference is made to the underwriting agreement (the “**Underwriting Agreement**”) dated November 17, 2021 between Definity Financial Corporation (the “**Company**”), Economical Mutual Insurance Company (“**Economical Insurance**”) and BMO Nesbitt Burns Inc. (“**BMO**”), RBC Dominion Securities Inc. (“**RBC**”), Barclays Capital Canada Inc., Scotia Capital Inc., TD Securities Inc., CIBC World Markets Inc., National Bank Financial Inc., UBS Securities Canada Inc., Desjardins Securities Inc., Raymond James Ltd., Canaccord Genuity Corp. and Cormark Securities Inc. (collectively, the “**Underwriters**”) entered into in connection with the proposed initial public offering (the “**Offering**”) of common shares (each, a “**Share**”) of the Company.

The undersigned has entered into a subscription agreement dated ■, 2021 with Economical Insurance and, pursuant to a joinder agreement dated ■, 2021, the Company pursuant to which it has agreed to subscribe for, and the Company has agreed to issue to the undersigned from treasury, Shares on the terms and conditions set forth therein (the “**Subscription Agreement**”). Accordingly, on closing of the transactions contemplated by the Subscription Agreement, the undersigned will become the registered and/or beneficial holder of securities of the Company. For purposes of this lock-up agreement (this “**Agreement**”), the term “**Subject Security**” shall mean any security of the Company, including any Share or any preferred share, right, warrant, option or other similar instrument, and any instruments convertible into or exercisable or exchangeable for Shares or other equity securities of the Company.

The undersigned recognizes that the Offering will be of benefit to the undersigned and the Company. The undersigned acknowledges that the Underwriters are and will be relying on the representations, warranties and agreements of the undersigned contained herein in carrying out the Offering and in entering into the Underwriting Agreement.

In consideration of the foregoing, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the undersigned hereby agrees that it will not, whether for its own account or for the account of another, and will cause its Affiliates to not in any manner, without the prior written consent of BMO and RBC, on behalf of the Underwriters, for a period commencing on the date hereof and continuing through the close of trading on the facilities of the Toronto Stock Exchange (and any other stock exchange on which the Shares are then listed and posted for trading) on the date that is 180 days after the date of the closing of the Offering, directly or indirectly, (a) offer to sell, sell or issue, or grant any option, warrant or other right to purchase (including without limitation any short sale, put option or call option), or otherwise lend, transfer, assign, pledge or dispose of any Subject Security, whether currently owned or hereafter acquired, directly or indirectly, either of record or beneficially by the undersigned (or such Affiliate) or with respect to which the undersigned (or such Affiliate) has or hereafter acquires the power of disposition; (b) enter into any swap, short sale, hedge or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Subject Security, whether any such swap or transaction is to be settled by delivery of Subject Securities, in cash or otherwise; (c) agree to or publicly announce an intention to do any of the foregoing; or (d) act jointly or in concert with any third party with respect to any of the matters set forth hereinabove. For purposes of this Agreement, the term **"Affiliate"** has the meaning ascribed to such term in the Governance Agreement between the undersigned, the Company and Economical Insurance (as described in the Company's prospectus qualifying the Offering).

The preceding paragraph shall not apply to: (a) transfers to Permitted Transferees of the undersigned, provided, in each case, that such Permitted Transferee (as defined in the Governance Agreement) agrees in writing with the Underwriters to be bound by the terms of this Agreement; or (b) pursuant to a bona fide third party take-over bid made in accordance with applicable securities laws, plan of arrangement or similar acquisition transaction, in each case, involving a change of control of the Company that is made available to all shareholders of the Company, provided that in the event that any such transaction is not completed, any Subject Security held by the undersigned shall remain subject to the restrictions contained in this Agreement. For the avoidance of doubt, the obligations of the undersigned set forth in this paragraph are in addition to, and not in substitution for, (x) any similar obligations of the undersigned in any agreement, commitment or undertaking in favour of the Company, including pursuant to the Subscription Agreement, Governance Agreement or other agreement entered into in connection therewith, or (y) other restrictions applicable to the transfer of Shares.

The obligations of the undersigned under this Agreement may be waived in writing in whole or in part by BMO and RBC, on behalf of the Underwriters, in their sole discretion.

The undersigned hereby represents and warrants that (a) the undersigned has full power and authority to enter into this Agreement, and (b) this Agreement constitutes a legal, valid and binding obligation of the undersigned, enforceable in accordance with its terms. The undersigned hereby agrees that, upon request, the undersigned will execute any additional documents necessary or desirable in connection with the enforcement hereof.

This Agreement is irrevocable and will be binding on the undersigned and the successors and permitted assigns of the undersigned; provided, however, that the undersigned shall not assign this Agreement without the prior written consent of BMO and RBC, on behalf of the Underwriters.

The undersigned agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against any transfer of Subject Securities owned by it that is not permitted by this Agreement.

This Agreement constitutes the entire agreement and understanding between the parties with respect to the subject matter hereof and supersedes any prior agreement, representation or undertaking with respect to such subject matter.

This Agreement and the rights and obligations of the undersigned shall be governed and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein. All matters relating hereto shall be submitted to the court of appropriate jurisdiction in the Province of Ontario for the purpose of this Agreement and for all related proceedings.

This Agreement may be executed in any number of counterparts, each of which when delivered, either in original, recorded electronic transmission or facsimile form, shall be deemed to be an original and all of which together shall constitute one and the same document. This Agreement may be executed by facsimile or PDF signature and as so executed shall constitute an original.

[Signature Page Follows.]

DATED as of the date first written above.

Yours truly,

[CORNERSTONE INVESTOR NAME]

by

Name:

Title:

Schedule C-4
PERMITTED MARKET STABILIZATION RESTRICTIONS EXCEPTIONS

1. *Bona fide* gifts to the immediate family of the Subject Shareholder, provided the recipient thereof will be bound by the Market Stabilization Restrictions as if it was a Subject Shareholder;
2. Transfers to (i) any trust for the direct or indirect benefit of the undersigned and/or the immediate family of the undersigned, as applicable, or (ii) corporations, partnerships or other entities controlled by the undersigned, provided, in each case, that such trust or corporation, partnership or other entity will be bound by the Market Stabilization Restrictions as if it was a Subject Shareholder;
3. Transfers to any beneficiary of, or estate of a beneficiary of, the undersigned pursuant to a trust, will, other testamentary document or intestate succession or applicable laws of descent, provided the recipient thereof will be bound by the Market Stabilization Restrictions as if it was a Subject Shareholder;
4. Transfers that occur by operation of law, such as pursuant to a qualified domestic order of a court or regulatory agency, provided the recipient thereof will be bound by the Market Stabilization Restrictions as if it was a Subject Shareholder;
5. Transfers to the Foundation, provided that such transfers are made by Subject Shareholders who have elected to donate the Shares issued or issuable to such Subject Shareholder as Demutualization benefits to the Foundation and the aggregate number of Shares transferred to the Foundation by the Subject Shareholders do not exceed 250,000 Shares;
6. Any transfer pursuant to a *bona fide* third party take-over bid made in accordance with applicable securities laws, plan of arrangement or similar acquisition transaction, in each case, involving a change of control of the Company that is made available to all shareholders of the Company, provided that in the event that any such transaction is not completed, the Subject Shareholder shall remain bound by the Market Stabilization Restrictions.

For purposes of this Schedule C-4, the term “**immediate family**” shall mean the spouse, domestic partner, any lineal descendent, father, mother, brother or sister of the Subject Shareholder.

SCHEDULE D
OPINION – ISSUER’S COUNSEL

1. The Company is a company with share capital existing under the ICA.
2. Economical Insurance is a company with share capital existing under the ICA.
3. Each of the Company’s Significant Subsidiaries is a corporation or partnership, as applicable, existing under the laws of its jurisdiction of incorporation or formation, as applicable.
4. Each of the Company, Petline Insurance Company, Sonnet Insurance Company, and each of the partners of TEIG Investment Partnership, has all necessary corporate power and capacity to own, lease and operate its properties and carry on its business (or the business of TEIG Investment Partnership, as applicable) as described in the Supplemented Prospectus.
5. Each of the Company and Economical Insurance has all necessary corporate power and capacity to execute and deliver this Agreement and each of the Related Agreements to which it is a party and to perform its obligations hereunder and thereunder and to consummate the Transactions (including implementing the Demutualization pursuant to the terms of the Conversion Plan).
6. The execution and delivery of this Agreement by each of the Company and Economical Insurance and each of the Related Agreements to which it is a party and the performance of its obligations hereunder and thereunder, and the completion, implementation and closing, as applicable, of the Transactions have been duly authorized by all necessary corporate action on the part of the Company and Economical Insurance required under applicable Law.
7. This Agreement and each of the Related Agreements to which it is a party has been duly executed and delivered by each of the Company and Economical Insurance.
8. No authorization, consent or approval of, or filing, registration, permit, license, decree, qualification or recording with, any Governmental Authority is required of the Company or Economical Insurance under the laws of the Province of Ontario or the federal laws of Canada applicable therein in connection with (a) the execution and delivery of this Agreement and the performance of their obligations hereunder, (b) the issuance and delivery to the Underwriters of the Offered Shares pursuant to this Agreement, other than filings under Securities Laws which have been duly made by or on behalf of the Company (other than the filing of a report as to the geographic distribution of the Offered Shares) on or prior to the Closing Date, and (c) the completion, implementation and closing, as applicable, of the Transactions, other than those required under applicable Law (including Insurance Laws) which have been duly made or obtained by or on behalf of the Company on or prior to the Closing Date.
9. This Agreement constitutes a legal, valid and binding obligation of the Company and Economical Insurance enforceable against the Company and Economical Insurance, respectively, by the Underwriters in accordance with its terms.

10. Each of the Related Agreements to which it is a party constitutes a legal, valid and binding obligation of the Company and Economical Insurance enforceable against the Company and Economical Insurance, as applicable, by the applicable Cornerstone Investor in accordance with its terms.
11. All of the issued and outstanding shares or partnership interests, as applicable, of each of the Company's Significant Subsidiaries have been validly issued and all of the issued and outstanding shares of Petline Insurance Company and Sonnet Insurance Company are outstanding as fully paid and non-assessable shares of such Subsidiary. The Company is the registered holder of 100% of the outstanding common shares of Economical Insurance; Economical Insurance is the registered holder of 100% of the outstanding common shares of 9558047 Canada Inc., Sonnet Insurance Company, The Missisquoi Insurance Company, Waterloo Insurance Company and Perth Insurance Company; 9558047 Canada Inc. is the registered holder of 100% of the outstanding common shares of Petline Insurance Company; Economical Insurance, Sonnet Insurance Company, The Missisquoi Insurance Company, Waterloo Insurance Company and Perth Insurance Company are the holders of 100% of the outstanding partnership interests in TEIG Investment Partnership.
12. The execution and delivery by each of the Company and Economical Insurance of this Agreement and each of the Related Agreements to which it is a party and the performance of its obligations hereunder and thereunder, and the completion, implementation and closing, as applicable, of the Transactions do not contravene, constitute a default under, permit the acceleration of an obligation under, or result in a breach of: (i) the Conversion Plan, the Letters Patent of Conversion, the constating documents of the Company, Economical Insurance or any of their Subsidiaries; (ii) the ICA or the Demutualization Regulations, (iii) any law of the Province of Ontario or the federal laws of Canada applicable therein; or (iv) the Credit Agreement.
13. The authorized capital of the Company consists of an unlimited number of Shares and an unlimited number of preferred shares, issuable in series, of which 8,198,229 Shares have been validly issued and are outstanding as fully paid and non-assessable common shares of the Company, and no preferred shares are issued and outstanding.
14. The filing of the Preliminary Prospectus, the Amended Preliminary Prospectus, the Base Prospectus and the Supplemented Prospectus with the Securities Commissions in the Qualifying Jurisdictions has been duly authorized by all necessary corporate action on the part of the Company, and each such prospectus has been duly executed pursuant to such authorization by and on behalf of the Company.
15. All necessary documents have been filed, all necessary proceedings have been taken and all necessary approvals, permits, consents and authorizations of the Securities Commissions have been obtained, in each case by the Company under Securities Laws, to qualify the distribution of the Offered Shares to the public in each of the Qualifying Jurisdictions through persons or companies who are registered in an appropriate category of registration under the applicable laws of such Qualifying Jurisdictions and have complied with the relevant provisions of such laws.
16. All necessary documents have been filed, all necessary proceedings have been taken and all necessary approvals, permits, consents and authorizations of Governmental Authorities (including OSFI and the Minister) have been obtained, in each case by the

Company, Economical Insurance or the Cornerstone Investors, as applicable, under Insurance Laws to complete the Cornerstone Private Placements and to issue, sell and deliver the Shares to be issued and sold to the Cornerstone Investors pursuant to the Subscription Agreements.

17. The issuance of the Offered Shares has been duly authorized by the Company and, upon receipt by the Company of consideration therefor in accordance with the terms of this Agreement, the Offered Shares will be validly issued, fully paid and non-assessable common shares of the Company.
18. The Conversion Plan has become effective and is enforceable in accordance with its terms and the Letters Patent of Conversion have been issued by the Minister and are effective.
19. The form of definitive share certificate representing the Shares complies with the provisions of the ICA, any applicable requirements of the constating documents of the Company and the requirements of the Exchange and has been authorized and approved by the Company.
20. The attributes of the Offered Shares conform, in all material respects, with the description thereof contained under the heading “**Description of Share Capital**” in the Supplemented Prospectus.
21. Subject to the limitation, qualifications, assumptions and understandings set forth therein, the statements set out in the Supplemented Prospectus under the headings “Certain Canadian Federal Income Tax Considerations” and “Eligibility for Investment”, insofar as they purport to summarize the provisions of the laws referred to therein, are accurate summaries of the matters set forth therein in all material respects.
22. Subject to the limitations, qualifications, assumptions and understandings set forth therein, the statements set out in the Supplemented Prospectus under the headings “Demutualization” and “Canadian P&C Insurance Regulatory Environment”, insofar as they purport to summarize the provisions of the laws referred to therein, are accurate summaries of the matters set forth therein fairly summarize, in all material respects;
23. The Exchange has approved the listing and posting for trading of the Offered Shares, subject only to satisfaction by the Company of the Standard Listing Conditions.
24. Computershare Trust Company of Canada has been duly appointed as the transfer agent and registrar for the Shares.
25. The provisions of the *Securities Act* (Québec) relating to the use of the French language and of the *Charter of the French Language* (R.S.Q. c. C-11) (other than those relating to verbal communications, as to which we express no opinion) have been complied with in respect of the Preliminary Prospectus, the Amended Preliminary Prospectus, the Base Prospectus and the Supplemented Prospectus and the forms of order and confirmation (together, the “**Offering Materials**”) to be delivered to purchasers in the Province of Québec in connection with the sale of the Offered Shares to purchasers in such Province to the extent such purchasers have received copies of the Offering Materials in the French language, provided that the Offering Materials in the English language may be delivered without delivery of the French language versions thereof to those physical persons in the

Province of Québec who have expressly requested in writing to receive such Offering Materials in the English language only.

SCHEDULE E

Section 8(vv)

[Agreement descriptions redacted]

Section 24(f)

[Agreement descriptions redacted]