

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authority in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.

This short form prospectus is a base shelf prospectus and has been filed under legislation in all provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. Unless an exemption from the prospectus delivery requirement has been granted or is otherwise available, the legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities.

Information has been incorporated by reference in this prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Definity Financial Corporation, 111 Westmount Road South, P.O. Box 2000, Waterloo, Ontario, N2J 4S4, (519) 570-8200 or 1-800-265-2180 and are also available electronically at www.sedar.com.

The securities to be issued hereunder have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws and, except as described under “Plan of Distribution”, may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act).

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue and/or Secondary Offering

May 30, 2022

definity.

DEFINITY FINANCIAL CORPORATION

\$2,000,000,000

**Debt Securities
Common Shares
Preferred Shares
Subscription Receipts
Warrants
Share Purchase Contracts
Units**

Definity Financial Corporation (“**Definity**”) may from time to time offer and issue the following securities: (i) senior or subordinated unsecured debt securities (collectively, the “**Debt Securities**”); (ii) common shares (“**Common Shares**”); (iii) preferred shares (“**Preferred Shares**”); (iv) subscription receipts (“Subscription Receipts”); (v) warrants (“**Warrants**”); (vi) share purchase contracts (“**Share Purchase Contracts**”); and (vii) units (“**Units**”) comprised of one or more of the other securities described in this prospectus (this “**Prospectus**”). The Debt Securities, Common Shares, Preferred Shares, Subscription Receipts, Warrants, Share Purchase Contracts and Units (collectively, the “**Securities**”) offered hereby may be offered separately or together, in separate series, in amounts, at prices and on terms to be set forth in one or more accompanying shelf prospectus supplements (each, a “**Prospectus Supplement**”) to this Prospectus.

Definity may sell up to \$2,000,000,000 in aggregate initial offering amount of Securities (or the equivalent at the time of issue if Securities are issued in currencies other than Canadian dollars) at any time and from time to time during the 25 month period that this Prospectus, including any amendments hereto, remains valid.

The specific terms of any offering of Securities will be set forth in the applicable Prospectus Supplement and may include, where applicable: (i) in the case of Debt Securities, the specific designation, aggregate principal amount, the currency or the currency unit for which such securities may be purchased, maturity, interest provisions, authorized denominations, offering price, any terms for redemption at the option of Definity or the holder, any exchange or conversion terms and any other specific terms; (ii) in the case of Common Shares, the number of shares and the offering price; (iii) in the case of Preferred Shares, the designation of the particular series, the number of shares offered, the issue price, the dividend rate, the dividend payment dates, any terms for redemption at the option of Definity or the holder, any exchange or conversion terms and any other specific terms; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price, the procedures for exchange of the Subscription Receipts for Debt Securities, Common Shares or Preferred Shares, as the case may be, and any other specific terms; (v) in the case of Warrants, the designation, number and terms of the Debt Securities, Common Shares or Preferred Shares purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of those numbers, the exercise price, dates and periods of exercise, the currency in which the Warrants are issued and any other specific terms; (vi) in the case of Share Purchase Contracts, whether the Share Purchase Contracts obligate the holder thereof to purchase or sell Common Shares or Preferred Shares, as the case may be, and the nature and amount of each of those securities and any other specific terms; and (vii) in the case of Units, the designation and terms of the Units and of the Securities comprising the Units and any other specific terms.

This Prospectus may qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or bankers' acceptance rate, or to recognized market benchmark interest rates. However, this Prospectus does not otherwise qualify for issuance Debt Securities in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests, including, for example, an equity or debt security, or a statistical measure of economic or financial performance (including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items).

All information permitted under applicable securities laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus unless an exemption from the prospectus delivery requirements has been granted or is otherwise available. Each Prospectus Supplement will be deemed to be incorporated by reference in this Prospectus as of the date of such Prospectus Supplement but only for the purposes of the distribution of the Securities to which the Prospectus Supplement pertains.

The registered and head office of Definity is located at 111 Westmount Road South, Waterloo, Ontario, N2L 2L6.

The Common Shares are listed for trading on the Toronto Stock Exchange (the "TSX") under the symbol "DFY". On May 27, 2022, the closing sale price of a Common Share on the TSX was \$35.28.

The Securities may be sold through underwriters or dealers purchasing as principals, through agents designated by Definity (such underwriters, dealers and agents are collectively referred to in this Prospectus as "**Investment Dealers**") and individually as an "**Investment Dealer**") or by Definity directly, from time to time. The Securities may be sold from time to time in one or more transactions at fixed prices or at non-fixed prices, such as market prices prevailing at the time of sale (including, without limitation, sales deemed to be "at-the-market distributions" as defined in National Instrument 44-102 – *Shelf Distributions* ("**NI 44-102**")), prices related to such prevailing market prices or prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities. This Prospectus may qualify an "at-the-market distribution" (as such term is defined in NI 44-102).

Subject to applicable laws and unless otherwise specified in a Prospectus Supplement, and other than in connection with an “at-the-market distribution”, the Investment Dealers may, in connection with any offering of the Securities, over-allocate or effect transactions intended to stabilize or maintain the market price of the Securities offered at levels other than those that might otherwise prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time. See “Plan of Distribution”.

No Investment Dealer of an “at-the-market distribution” under this Prospectus, no affiliate of such an Investment Dealer and no person or company acting jointly or in concert with such an Investment Dealer may, in connection with the distribution, over-allot securities or enter into any transaction that is intended to stabilize or maintain the market price of the Securities or securities of the same class as the Securities distributed under this Prospectus, including selling an aggregate number or principal amount of securities that would result in the Investment Dealer creating an over-allocation position in the Securities.

Each Prospectus Supplement will identify each Investment Dealer engaged in connection with the offering and sale of those Securities to which the Prospectus Supplement relates and will also set forth the terms of the offering of such Securities including the net proceeds to Definity and, to the extent applicable, any fees payable to the Investment Dealers. Unless otherwise specified in the applicable Prospectus Supplement, any Debt Securities offered hereby will not be listed on any stock exchange.

This Prospectus also qualifies the distribution of Securities by certain Definity securityholders, including one or more of Definity’s wholly-owned subsidiaries (each, a “**Selling Securityholder**”). One or more Selling Securityholders may sell Securities to or through Investment Dealers purchasing as principals and may also sell the Securities to one or more purchasers directly, or through agents designated from time to time. See “Plan of Distribution” and “Selling Securityholders”.

In this Prospectus, unless the context otherwise requires, the terms “Definity”, “Company”, “we”, “our”, “ours”, “us” or similar terms refer, at all times prior to completion of the demutualization (the “**Demutualization**”) of Definity Insurance Company, formerly named Economical Mutual Insurance Company (“**Definity Insurance**”), to Definity Insurance and its consolidated subsidiaries, including Definity Financial Corporation, and, at all times on or after the Demutualization, to Definity Financial Corporation and its consolidated subsidiaries, including Definity Insurance. Unless otherwise specified, all references to currency amounts in this Prospectus are to Canadian dollars. This Prospectus contains terms that are specific to the insurance industry and that are technical in nature.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents of Definity filed with the various securities commissions or similar authorities in Canada are incorporated by reference in this Prospectus:

- (a) the annual information form of Definity dated March 11, 2022 for the year ended December 31, 2021 (the “**AIF**”);
- (b) the audited consolidated financial statements of Definity, together with the auditor’s report thereon and the notes thereto, as at and for the year ended December 31, 2021 (the “**Annual Financial Statements**”);
- (c) management’s discussion and analysis of financial condition and results of operations of Definity for the year ended December 31, 2021 (the “**Annual MD&A**”);
- (d) the unaudited condensed financial statements of Definity, together with the notes thereto, as at and for the three months ended March 31, 2022 (the “**Q1 2022 Financial Statements**”);
- (e) management’s discussion and analysis of financial condition and results of operations in respect of the Q1 2022 Financial Statements (the “**Q1 2022 MD&A**”); and
- (f) the management proxy circular of Definity dated March 30, 2022 in respect of the annual meeting of shareholders of Definity to be held on May 19, 2022.

Any document of the type referred to in section 11.1 of Form 44-101F1 of National Instrument 44-101 – *Prospectus Distributions* (excluding confidential material change reports), if filed by Definity with the securities commissions or similar authorities in Canada after the date of this Prospectus and all Prospectus Supplements (only in respect of the offering of Securities to which that particular Prospectus Supplement relates) disclosing additional or updated information, including the documents incorporated by reference therein, filed pursuant to the requirements of applicable securities legislation in Canada and during the period that this Prospectus is effective, shall be deemed to be incorporated by reference in this Prospectus. The documents incorporated or deemed to be incorporated herein by reference contain meaningful and material information relating to Definity and the readers should review all information contained in this Prospectus, the applicable Prospectus Supplement and the documents incorporated or deemed to be incorporated by reference herein and therein.

Upon new audited annual consolidated financial statements and related management’s discussion and analysis of financial condition and results of operations of Definity being filed by Definity with the applicable Canadian securities commissions or similar regulatory authorities in Canada during the period that this Prospectus is effective, the previous annual consolidated financial statements and related management’s discussion and analysis of financial condition and results of operations of Definity and the previous unaudited interim consolidated financial statements and related management’s discussion and analysis of financial condition and results of operations of Definity most recently filed shall be deemed to no longer be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon new unaudited interim consolidated financial statements and related management’s discussion and analysis of financial condition and results of operations of Definity being filed by Definity with the applicable Canadian securities commissions or similar regulatory authorities in Canada during the period that this Prospectus is effective, the previous unaudited interim consolidated financial statements and related management’s discussion and analysis of financial condition and results of operations of Definity most recently filed shall no longer be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus. Upon a new annual information form of Definity being filed with the applicable Canadian securities commissions or similar regulatory authorities in Canada during the period that this Prospectus is effective, notwithstanding anything herein to the contrary, the following documents shall be deemed to no longer be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities under this Prospectus: (i) the previous annual information form of Definity; (ii) material change reports filed by Definity prior to the end of the financial year of Definity in respect of which the new annual information form is filed; (iii) business acquisition reports filed by Definity for acquisitions completed prior to the beginning of the

financial year in respect of which the new annual information form is filed; and (iv) any information circular of Definity filed by Definity prior to the beginning of the financial year in respect of which the new annual information form is filed. Upon a new management information circular for an annual meeting of shareholders of Definity being filed by Definity with the applicable Canadian securities commissions or similar regulatory authorities during the period that this Prospectus is effective, the previous management information circular filed in respect of the prior annual meeting of shareholders of Definity shall no longer be deemed to be incorporated into this Prospectus for purposes of future offers and sales of Securities under this Prospectus.

A Prospectus Supplement containing the specific terms for an offering of Securities will be delivered to purchasers of such Securities together with this Prospectus, unless an exemption from the prospectus delivery requirements has been granted or is otherwise available, and will be deemed to be incorporated by reference in this Prospectus as of the date of the Prospectus Supplement solely for the purposes of the Securities covered by that Prospectus Supplement unless otherwise provided therein.

Any statement contained in this Prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded, for purposes of this Prospectus, to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document or statement that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or 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. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated by reference herein, contains “forward-looking information” within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future business, financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, addressable markets, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “targets”, “expects” or “does not expect”, “is expected”, “an opportunity exists”, “budget”, “scheduled”, “estimates”, “forecasts”, “projection”, “prospects”, “strategy”, “intends”, “anticipates”, “does not anticipate”, “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “would”, “might”, “will”, “will be taken”, “occur” or “be achieved”. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management’s expectations, estimates and projections regarding possible future events or circumstances. These forward-looking statements include, among other things, statements relating to: Definity’s business plans and strategies (including a corporate reorganization involving the shares of Westmount Financial Inc.); Definity’s ability to appropriately assess the risk relating to, and price, the insurance policies that it writes; Definity’s competitive position in its industry; Definity’s ability to continue to invest in technology and processes necessary to attract and retain customers; Definity’s ability to continue to attract and retain talent; Definity’s relationship with its brokers and direct customers; the long-term impact of the COVID-19 pandemic on Definity’s business, financial position, results of operations and/or cash flows; statements relating to the proposed strategic partnership with APOLLO Insurance Solutions Ltd. (“**APOLLO**”), including the investment transaction, the timing of closing, the receipt of regulatory approval, and APOLLO’s digital insurance capabilities; and statements relating to purchases of Common Shares pursuant to the Company’s normal course issuer bid.

Forward-looking information in this Prospectus is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process

to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as at the date such statements are made, and are subject to many factors that could cause our actual results, performance or achievements, or other future events or developments, to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors:

- Definity’s ability to appropriately price its insurance products to produce an acceptable return;
- Definity’s ability to accurately assess the risks associated with the insurance policies that it writes;
- Definity’s ability to assess and pay claims in accordance with its insurance policies;
- litigation and regulatory actions, including potential claims in relation to demutualization and our IPO, and COVID-19-related class-action lawsuits that have arisen and which may arise, together with associated legal costs;
- Definity’s ability to obtain adequate reinsurance coverage to transfer risk;
- Definity’s ability to accurately predict future claims frequency or severity, including the frequency and severity of weather-related events and the impact of climate change;
- the occurrence of unpredictable catastrophe events;
- unfavourable capital market developments, interest rate movements, changes to dividend policies or other factors which may affect our investments or the market price of Common Shares;
- changes associated with the transition to a low-carbon economy, including reputational and business implications from stakeholders’ views of our climate change approach or that of our industry;
- Definity’s ability to successfully manage credit risk from its counterparties;
- foreign currency fluctuations;
- Definity’s ability to meet payment obligations as they become due;
- Definity’s ability to maintain its financial strength rating or credit rating;
- Definity’s dependence on key employees;
- Definity’s ability to attract, develop, motivate, and retain an appropriate number of employees with the necessary skills, capabilities, and knowledge;
- Definity’s ability to appropriately manage and protect the collection and storage of information;
- Definity’s reliance on information technology systems, internet, network, data centre, voice or data communications services and the potential disruption or failure of those systems or services, including as a result of cyber security risk;
- failure of key service providers or vendors to provide services or supplies as expected, or comply with contractual or business terms;
- Definity’s ability to obtain, maintain and protect its intellectual property rights and proprietary information or prevent third parties from making unauthorized use of our technology;
- compliance with and changes in legislation or its interpretation or application, or supervisory expectations or requirements, including changes in effective income tax rates, risk-based capital guidelines and accounting standards;
- failure to design, implement and maintain effective control over financial reporting which could have a material adverse effect on our business;
- deceptive or illegal acts undertaken by an employee or a third party, including fraud in the course of underwriting insurance or settling insurance claims;
- Definity’s ability to respond to events impacting its ability to conduct business as normal;
- Definity’s ability to implement its strategy or operate its business as management currently expects;
- the impact of public-health crises, such as pandemics or other health risk events including the COVID-19 pandemic and their associated operational, economic, legislative and regulatory impacts, including impacts on Definity’s ability to maintain operations and provide services to customers and on the expectations of governmental or regulatory authorities concerning the provision of customer relief;
- general economic, financial, and political conditions, particularly those in Canada;
- the competitive market environment and cyclical nature of the property and casualty (“P&C”) insurance industry;
- the introduction of disruptive innovation;
- distribution channel risk, including Definity’s reliance on independent brokers to sell its products;

- Definity's dividend payments being subject to the discretion of the board of directors of the Company (the "**Board**") and dependent on a variety of factors and conditions existing from time to time;
- Definity's dependence on the results of operations of its subsidiaries, the ability of the subsidiaries to pay dividends and the payment of dividends by the subsidiaries;
- Definity's ability to manage and access capital and liquidity effectively;
- Definity's ability to successfully identify, complete, integrate and realize the benefits of acquisitions or manage the associated risks;
- the need for active and ongoing engagement with stakeholders, including businesses and governmental and non-governmental organizations, in relation to environmental, social and governance ("**ESG**") matters;
- evolutions in customer, community and other stakeholders' expectations concerning ESG matters;
- Definity's ability to successfully implement various initiatives in connection with ESG matters within expected time frames;
- periodic negative publicity regarding the insurance industry or Definity; and
- the completion and timing of the Company continuing under the *Canada Business Corporations Act*.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail in section "11 – Risk Management and Corporate Governance" of the Annual MD&A and Notes 8 and 10 of the Annual Financial Statements, should be considered carefully by readers.

Although we have attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, the factors above are not intended to represent a complete list and there may be other factors not currently known to us or that we currently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as at the date made. The forward-looking information contained in this Prospectus represents our expectations as at the date of this Prospectus (or as the date they are otherwise stated to be made) and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

All of the forward-looking information contained in this Prospectus is expressly qualified by the foregoing cautionary statements.

TRADEMARKS AND TRADE NAMES

This Prospectus, including the documents incorporated by reference herein, includes certain trademarks and trade names, such as Definity, Economical Insurance, Family Insurance, Petline Insurance, Petsecure, Peppermint, Sonnet and Vyne, which are protected under applicable intellectual property laws and are our property. An application has been made, but a trademark has not yet been registered, in respect of Definity. Solely for convenience, our trademarks and trade names referred to in this Prospectus may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names. All other trademarks used in this Prospectus are the property of their respective owners.

DEFINITY FINANCIAL CORPORATION

Definity was incorporated under the *Insurance Companies Act* (Canada) on June 30, 2021 pursuant to letters patent of incorporation and became the parent company of Definity Insurance on November 23, 2021 in connection with the completion of the Demutualization.

We are one of the leading P&C insurers in Canada. We offer both personal and commercial insurance products. Through our personal lines insurance operations, we offer auto, property, liability, and pet insurance products to individual customers. Our commercial lines insurance offering includes fleet, individually-rated commercial auto, property, liability, and specialty insurance products, which are provided to businesses of all sizes in Canada. As a multi-channel insurer, we distribute our products on a primarily intermediated basis through brokers, as well as directly to customers. Our direct distribution channel includes Sonnet Insurance, through which we launched our digital direct insurance platform in 2016, Petline Insurance, our pet insurer which we acquired in 2017, and portions of our group insurance offering.

Our P&C insurance business is supported by our investment management activities. Our investment portfolio is comprised primarily of short-duration, investment grade fixed income investments, which generally reduces the impact of volatility related to macroeconomic conditions.

Further information regarding our business is set out in the AIF, the Annual MD&A and the Q1 2022 MD&A, which are incorporated by reference in this Prospectus, and equivalent disclosure in subsequent annual information forms and management's discussion and analysis of financial condition and results of operations of Definity that may be incorporated by reference in this Prospectus.

CONSOLIDATED CAPITALIZATION

There have been no material changes to Definity's share capital and outstanding indebtedness on a consolidated basis since March 31, 2022.

DESCRIPTION OF COMMON SHARES AND PREFERRED SHARES

The authorized share capital of Definity consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares. As at May 27, 2022, 115,892,700 Common Shares and nil Preferred Shares were issued and outstanding.

Common Shares

Holders of Common Shares are, except where otherwise provided by law, entitled to vote at all meetings of shareholders and are entitled to one vote per Common Share. Holders of Common Shares are entitled, subject to the rights of holders of Preferred Shares and any other shares ranking senior to the Common Shares, to receive dividends as and when declared by the Board and, upon the voluntary or involuntary liquidation, dissolution or winding-up of the Company, the holders of Common Shares are entitled to receive the remaining property and assets of the Company available for distribution, after payment of liabilities.

Preferred Shares

The Preferred Shares are issuable from time to time in one or more series. The Board is authorized to fix before issue the number of, the consideration per share of, the designation of and the provisions attaching to the Preferred Shares of each series, which may include voting rights. The Preferred Shares of each series will rank on par with the Preferred Shares of every other series and will be entitled to preference over the Common Shares with respect to payment of dividends and distribution of any assets in the event of Definity's liquidation, dissolution or winding-up. If any cumulative dividends (whether or not declared), non-cumulative dividends declared or amounts payable on a return of capital are not paid in full, the Preferred Shares of all series will participate ratably in accordance with the amounts that would be payable on such shares if all such dividends were declared and paid in full or the sums that would be payable on such shares on the return of capital if all amounts so payable were paid in full, as the case may be.

DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of the Debt Securities offered pursuant to an accompanying Prospectus Supplement, and the extent to which

the general terms and provisions described below may apply to such Debt Securities, will be described in such Prospectus Supplement. Since the terms of a series of Debt Securities may differ from the general information provided in this Prospectus, in all cases an investor should rely on the information in the applicable Prospectus Supplement where it differs from information in this Prospectus.

The Debt Securities will be direct unsecured obligations of Definity. The Debt Securities will be senior or subordinated indebtedness of Definity as described in the relevant Prospectus Supplement. The senior Debt Securities will rank equal in right of payment to all other unsecured and unsubordinated indebtedness of Definity (except for unsecured and unsubordinated indebtedness preferred by mandatory provisions of law). The subordinated Debt Securities will be subordinated in right of payment to the prior payment in full of the senior Debt Securities and all other senior indebtedness of Definity.

The Debt Securities will be issued under one or more indentures (each, a “**Trust Indenture**”), in each case between Definity and a financial institution to which the *Trust and Loan Companies Act* (Canada) applies or a financial institution organized under the laws of any province of Canada and authorized to carry on business as a trustee (each, a “**Trustee**”). The statements made hereunder relating to any Trust Indenture and any instalment receipt and pledge agreement (see below) and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable Trust Indenture and, if applicable, any instalment receipt and pledge agreement and collateral arrangements and depositary arrangements relating to such Debt Securities.

Each Trust Indenture may provide that Debt Securities may be issued thereunder up to the aggregate principal amount which may be authorized from time to time by Definity. Any Prospectus Supplement for Debt Securities supplementing this Prospectus will contain the terms and other information with respect to the Debt Securities being offered thereby, including: (i) the designation, aggregate principal amount and authorized denominations of such Debt Securities; (ii) the currency or currency units for which the Debt Securities may be purchased and the currency or currency units in which the principal and any interest or other amounts is payable (in either case, if other than Canadian dollars); (iii) the percentage of the principal amount at which such Debt Securities will be issued; (iv) the date or dates on which such Debt Securities will mature; (v) the rate or rates per annum at which such Debt Securities will bear interest (if any), or the method of determination of such rates (if any); (vi) the dates on which any such interest will be payable and the record dates for such payments; (vii) the Trustee under the Trust Indenture pursuant to which the Debt Securities are to be issued; (viii) any redemption term or terms under which such Debt Securities may be defeased; (ix) whether such Debt Securities are to be issued in registered form, bearer form or in the form of temporary or permanent global securities and the basis of exchange, transfer and ownership thereof; (x) any exchange or conversion terms; and (xi) any other specific terms. A copy of any such Trust Indenture will be filed by Definity with securities regulatory authorities after it has been entered into and will be available on Definity’s SEDAR profile at www.sedar.com.

Debt Securities may, at the option of Definity, be issued in fully registered form, in “book-entry only” form (the implications of which are discussed below under “**Book-Entry Only System**”) or may be uncertificated.

Debt Securities of a single series may be issued at various times with different maturity dates, may bear interest at different rates and may otherwise vary.

The Debt Securities offered pursuant to this Prospectus and any Prospectus Supplement may be represented by instalment receipts, the particular terms and provisions of which will be described in the applicable Prospectus Supplement and set out in an instalment receipt and pledge agreement. Any such instalment receipt will evidence, among other things, (a) the fact that a first instalment payment has been made in respect of the Debt Securities represented thereby and (b) the beneficial ownership of the Debt Securities represented by the instalment receipt, subject to a pledge of such Debt Securities securing the obligation to pay the balance outstanding under such Debt Securities on or prior to a certain date. A copy of any such instalment receipt and pledge agreement will be filed by Definity with securities regulatory authorities after it has been entered into and will be available on Definity’s SEDAR profile at www.sedar.com.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following sets forth certain general terms and provisions of the Subscription Receipts. Definity may issue Subscription Receipts that may be exchanged by the holders thereof for Debt Securities, Common Shares or Preferred Shares upon the satisfaction of certain conditions. The particular terms and provisions of the Subscription Receipts offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms described below apply to those Subscription Receipts, will be described in such Prospectus Supplement. Since the terms of a series of Subscription Receipts may differ from the general information provided in this Prospectus, in all cases an investor should rely on the information in the applicable Prospectus Supplement where it differs from information in this Prospectus.

Subscription Receipts may be offered separately or together with Debt Securities, Common Shares or Preferred Shares, as the case may be. The Subscription Receipts will be issued under a subscription receipt agreement with one or more subscription receipt agents that Definity will name in the applicable Prospectus Supplement.

Selected provisions of the Subscription Receipts and the subscription receipt agreements are summarized below. This summary is not complete. The statements made in this Prospectus relating to any subscription receipt agreement and Subscription Receipts to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable subscription receipt agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Subscription Receipts.

Any Prospectus Supplement for Subscription Receipts supplementing this Prospectus will contain the terms and conditions and other information with respect to the Subscription Receipts being offered thereby, including:

- (a) the number of Subscription Receipts;
- (b) the price at which the Subscription Receipts will be offered and whether the price is payable in instalments;
- (c) the conditions to the exchange of Subscription Receipts into Debt Securities, Common Shares or Preferred Shares, as the case may be, and the consequences of such conditions not being satisfied;
- (d) the procedures for the exchange of the Subscription Receipts into Debt Securities, Common Shares or Preferred Shares, as the case may be;
- (e) the number of Debt Securities, Common Shares or Preferred Shares, as the case may be, into which each Subscription Receipt may be exchanged;
- (f) the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each Security;
- (g) the dates or periods during which the Subscription Receipts may be exchanged into Debt Securities, Common Shares or Preferred Shares;
- (h) whether such Subscription Receipts will be listed on any securities exchange;
- (i) whether the Subscription Receipts will be issued in fully registered or “book-entry only” form;
- (j) any other rights, privileges, restrictions and conditions attaching to the Subscription Receipts; and
- (k) other specific terms.

Prior to the exchange of their Subscription Receipts, holders of Subscription Receipts will not have any of the rights of holders of the Securities subject to the Subscription Receipts.

DESCRIPTION OF WARRANTS

The following sets forth certain general terms and provisions of the Warrants. The particular terms and provisions of the Warrants offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Warrants, will be described in such Prospectus Supplement. Since the terms of a series of Warrants may differ from the general information provided in this Prospectus, in all cases an investor should rely on the information in the applicable Prospectus Supplement where it differs from information in this Prospectus.

Definity may issue Warrants for the purchase of Debt Securities, Common Shares, Preferred Shares or other securities. Warrants may be issued independently or together with Debt Securities, Common Shares or Preferred Shares offered by any Prospectus Supplement and may be attached to, or separate from, any such offered Securities. Warrants will be issued under one or more warrant agreements between Definity and a warrant agent (the “**Warrant Agent**”) that Definity will name in the applicable Prospectus Supplement.

Selected provisions of the Warrants and the warrant agreements are summarized below. This summary is not complete. The statements made in this Prospectus relating to any warrant agreement and Warrants to be issued thereunder are summaries of certain anticipated provisions thereof and are subject to, and are qualified in their entirety by reference to, all provisions of the applicable warrant agreement and, if applicable, collateral arrangements and depositary arrangements relating to such Warrants.

Any Prospectus Supplement for Warrants supplementing this Prospectus will contain the terms and other information with respect to the Warrants being offered thereby, including:

- (a) the designation of the Warrants;
- (b) the aggregate number of Warrants offered and the offering price;
- (c) the designation, number and terms of the Debt Securities, Preferred Shares, Common Shares or other securities purchasable upon exercise of the Warrants, and procedures that will result in the adjustment of those numbers;
- (d) the exercise price of the Warrants;
- (e) the dates or periods during which the Warrants are exercisable;
- (f) the designation and terms of any securities with which the Warrants are issued;
- (g) if the Warrants are issued as a unit with another security, the date on and after which the warrants and the other security will be separately transferable;
- (h) the currency or currency unit in which the exercise price is denominated;
- (i) any minimum or maximum amount of Warrants that may be exercised at any one time;
- (j) whether such Warrants will be listed on any securities exchange;
- (k) any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- (l) whether the Warrants will be issued in fully registered or “book-entry only” form;
- (m) any rights, privileges, restrictions and conditions attaching to the Warrants; and
- (n) any other specific terms.

Prior to the exercise of their Warrants, holders of Warrants will not have any of the rights of holders of the securities subject to the Warrants.

DESCRIPTION OF SHARE PURCHASE CONTRACTS

The following sets forth certain general terms and provisions of the Share Purchase Contracts. The particular terms and provisions of the Share Purchase Contracts offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Share Purchase Contracts, will be described in such Prospectus Supplement. Since the terms of a series of Share Purchase Contracts may differ from the general information provided in this Prospectus, in all cases an investor should rely on the information in the applicable Prospectus Supplement where it differs from information in this Prospectus.

Definity may issue Share Purchase Contracts, representing contracts obligating holders to purchase from or sell to Definity, and obligating Definity to purchase from or sell to the holders, a specified number of Common Shares or Preferred Shares, as applicable, at a future date or dates, and including by way of instalment. Definity has delivered an undertaking to the securities regulatory authority in each of the provinces and territories of Canada that Definity will not distribute Share Purchase Contracts to any member of the public in Canada unless the Prospectus Supplement containing the specific terms of the Share Purchase Contracts to be distributed separately is first approved for filing by the securities regulatory authority in each of the provinces and territories of Canada where the Share Purchase Contracts will be distributed.

The price per Common Share or Preferred Share, as applicable, may be fixed at the time the Share Purchase Contracts are issued or may be determined by reference to a specific formula contained in the Share Purchase Contracts. Definity may issue Share Purchase Contracts in accordance with applicable laws and in such amounts and in as many distinct series as it may determine.

Any Prospectus Supplement for Share Purchase Contracts supplementing this Prospectus will contain the terms and other information with respect to the Share Purchase Contracts being offered thereby, including:

- (a) whether the Share Purchase Contracts obligate the holder to purchase or sell, or both purchase and sell, Common Shares or Preferred Shares, as applicable, and the nature and amount of each of those securities, or the method of determining those amounts;
- (b) whether the Share Purchase Contracts are to be prepaid or not or paid in instalments;
- (c) any conditions upon which the purchase or sale will be contingent and the consequences if such conditions are not satisfied;
- (d) whether the Share Purchase Contracts are to be settled by delivery, or by reference or linkage to the value or performance of Common Shares or Preferred Shares;
- (e) any acceleration, cancellation, termination or other provisions relating to the settlement of the Share Purchase Contracts;
- (f) the date or dates on which the sale or purchase must be made, if any;
- (g) whether such Share Purchase Contracts will be listed on any securities exchange;
- (h) whether the Share Purchase Contracts will be issued in fully registered or global form;
- (i) any rights, privileges, restrictions and conditions attaching to the Share Purchase Contracts; and
- (j) any other specific terms.

The Prospectus Supplement will describe the terms of any Share Purchase Contracts. The preceding description and any description of Share Purchase Contracts in the applicable Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the Share Purchase Contract agreement and, if applicable, collateral arrangements and depository arrangements relating to such Share Purchase Contracts.

In the case of Share Purchase Contracts which obligate the holders to purchase securities from Definity, the holders will not have any of the rights of holders of the securities to be purchased pursuant to the Share Purchase Contracts until the completion of the purchase of those securities by the relevant holder in accordance with the terms of the Share Purchase Contract.

DESCRIPTION OF UNITS

The following sets forth certain general terms and provisions of the Units. The particular terms and provisions of the Units offered pursuant to an accompanying Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to such Units, will be described in such Prospectus Supplement. Since the terms of a series of Units may differ from the general information provided in this Prospectus, in all cases an investor should rely on the information in the applicable Prospectus Supplement where it differs from information in this Prospectus.

Definity has delivered an undertaking to the securities regulatory authority in each of the provinces and territories of Canada that Definity will not distribute Units comprised of Share Purchase Contracts separately to any member of the public in Canada unless the offering is in connection with and forms part of the consideration for an acquisition or merger transaction or unless the Prospectus Supplement containing the specific terms of such Units to be distributed separately is first approved for filing by the securities regulatory authority in each of the provinces and territories of Canada where the Units will be distributed.

Definity may issue Units comprised of one or more of the other Securities described in this Prospectus in any combination. Each Unit will be issued so that the holder of the Unit is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each Security comprising such Unit. The unit agreement under which a Unit is issued may provide that the Securities included in the Unit may not be held or transferred separately, at any time or at any time before a specified date.

Any Prospectus Supplement for Units supplementing this Prospectus will contain the terms and other information with respect to the Units being offered thereby, including:

- (a) the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- (b) any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;
- (c) whether the Units will be issued in fully registered or global form; and
- (d) any other specific terms.

The Prospectus Supplement will describe the terms of any Units. The preceding description and any description of Units in the Prospectus Supplement does not purport to be complete and is subject to and is qualified in its entirety by reference to the unit agreement and, if applicable, collateral arrangements and depository arrangements relating to such Units.

BOOK-ENTRY ONLY SYSTEM

Securities issued in “book-entry only” form must be purchased, transferred or redeemed through participants (“**CDS Participants**”) in the depository service of CDS Clearing and Depository Services Inc. or a successor or its nominee (collectively, “**CDS**”). Each of the Investment Dealers named in an accompanying Prospectus Supplement

offering Securities in “book-entry only” form will be a CDS Participant. On the closing of a book-entry only offering, Definity will cause a global certificate or certificates representing the aggregate number of Securities subscribed for under such offering to be delivered to, and registered in the name of, CDS. Except as described below, no purchaser of Securities will be entitled to a certificate or other instrument from Definity or CDS evidencing that purchaser’s ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a CDS Participant acting on behalf of such purchaser. Each purchaser of Securities will receive a customer confirmation of purchase from the Investment Dealer from which the Securities are purchased in accordance with the practices and procedures of that Investment Dealer. The practices of Investment Dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. Reference in this Prospectus to a holder of Securities means, unless the context otherwise requires, the owner of the beneficial interest in the Securities.

CDS will be responsible for establishing and maintaining book-entry accounts for CDS Participants having interests in the Securities. If: (i) the book-entry only system ceases to exist; (ii) Definity determines that CDS is no longer willing or able to discharge properly its responsibilities as depository with respect to the Securities and Definity is unable to locate a qualified successor; or (iii) Definity at its option elects, or is required by applicable law or the rules of any securities exchange, to withdraw the Securities from the book-entry only system, then physical certificates representing the Securities will be issued to holders thereof or their nominees.

Transfer, Conversion and Redemption of Securities

Transfers of ownership, conversions or redemptions of Securities will be effected only through records maintained by CDS for such Securities with respect to interests of CDS Participants and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Holders of Securities who are not CDS Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in the Securities, may do so only through CDS Participants. Depending on the jurisdiction in which the holder is located, the ability of a holder to pledge Securities or otherwise take action with respect to such holder’s interest in Securities (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Payments and Deliveries

Definity will make, or cause to be made, payments of principal, redemption price, if any, dividends and interest, as applicable, on Securities to CDS as the registered holder of the Securities and Definity understands that the payment will be forwarded by CDS to CDS Participants in accordance with the customary practices and procedures of CDS. As long as CDS is the registered holder of the Securities, CDS will be considered the sole owner of the Securities for the purposes of receiving notices or payments on the Securities. As long as the Securities are held in the CDS book-entry only system, the responsibility and liability of Definity in respect of the Securities is limited to making payments of principal, redemption price, if any, dividends and interest, as applicable, on the Securities to CDS, as registered holder of the Securities. Definity expects that CDS, upon receipt of any payment in respect of Securities, will credit CDS Participants’ accounts in amounts proportionate to their respective interests in the principal amount of such Securities as shown on the records of CDS in accordance with the customary practices and procedures of CDS. Definity also expects that payments by CDS Participants to the owners of beneficial interests in Securities held through such CDS Participants will be governed by standing instructions and customary practices and will be the responsibility of such CDS Participants.

Each beneficial owner must rely on the procedures of CDS and, if such beneficial owner is not a CDS Participant, on the procedures of the CDS Participant through which such beneficial owner owns its interest, to exercise any rights with respect to the Securities. Definity understands that under existing policies of CDS and industry practices, if Definity requests any action of a beneficial owner or if a beneficial owner desires to give any notice or take any action which a registered holder is entitled to give or take with respect to the Securities, CDS would authorize the CDS Participant acting on behalf of the beneficial owner to give such notice or to take such action, in accordance with the procedures established by CDS or agreed to from time to time by Definity, any Trustee and/or Warrant Agent and CDS. Any beneficial owner that is not a CDS Participant must rely on the contractual arrangement it has directly, or indirectly through its financial intermediary, with its CDS Participant to give such notice or take such action.

None of Definity, the Investment Dealers or the Trustee will assume liability or responsibility for: (i) any aspect of the records relating to the beneficial ownership of the Securities held by CDS or the payments or deliveries

relating thereto; (ii) maintaining, supervising or reviewing any records relating to the Securities; or (iii) any advice or representation made by or with respect to CDS relating to the rules governing CDS or any action to be taken by CDS or at the direction of CDS Participants.

PLAN OF DISTRIBUTION

Definity and any Selling Securityholder may sell the Securities to or through Investment Dealers purchasing as principal and may also sell the Securities to one or more purchasers directly or through agents designated by Definity. Securities may be sold from time to time in one or more transactions at a fixed price or non-fixed prices, such as market prices prevailing at the time of sale, prices related to such prevailing market prices or at prices to be negotiated with purchasers (including, without limitation, sales deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made directly on the TSX or other existing trading markets for the Securities), which prices may vary as between purchasers and during the period of distribution of the Securities.

A Prospectus Supplement will set forth the terms of any offering of Securities, including the name or names of any Investment Dealers, the initial public offering price, the proceeds to Definity or the applicable Selling Securityholder, any underwriting discount or commission to be paid to any Investment Dealers and any discounts, concessions or commissions allowed or reallocated or paid by any Investment Dealers to other investment dealers.

If underwriters are used in the sale, the Securities will be acquired by the underwriters for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale, at market prices prevailing at the time of sale or at prices related to such prevailing market prices. The obligations of the underwriters to purchase such Securities will be subject to certain conditions precedent, and the underwriters will be obligated to purchase all the Securities offered by the Prospectus Supplement if any of such Securities are purchased.

The Securities may also be sold directly by Definity or any Selling Securityholder at such prices and upon such terms as agreed to by Definity or the Selling Securityholder, as applicable, and the purchaser or through agents designated by Definity or the Selling Securityholder, as applicable, from time to time. Unless otherwise indicated in the applicable Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

Any public offering price and any discounts, concessions or commissions allowed or re-allowed or paid to Investment Dealers may be changed from time to time. Definity or the Selling Securityholder may agree to pay the Investment Dealers a commission for various services relating to the issue and sale of any Securities offered hereby. Investment Dealers who participate in the distribution of the Securities may be entitled under agreements to be entered into with Definity or the Selling Securityholder to indemnification by Definity or the Selling Securityholder, as applicable, against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such Investment Dealers may be required to make in respect thereof.

In connection with any offering of the Securities (unless otherwise specified in the applicable Prospectus Supplement), and other than in connection with an “at-the-market distribution” as defined in NI 44-102, the Investment Dealers may, subject to applicable law, over-allot or effect transactions which stabilize or maintain the market price of Definity’s securities at a higher level than that which might exist in the open market. These transactions may be commenced, interrupted or discontinued at any time.

The Securities to be issued hereunder have not been, and will not be, registered under the U.S. Securities Act, or any state securities laws and, may not be offered, sold or delivered, directly or indirectly, in the United States or to, or for the account or benefit of, a U.S. person (as defined in Regulation S under the U.S. Securities Act) except in certain transactions exempt from the requirements of the U.S. Securities Act and in compliance with any applicable state securities laws.

No Investment Dealer of an “at-the-market distribution” under this Prospectus, no affiliate of such an Investment Dealer and no person or company acting jointly or in concert with such an Investment Dealer may, in connection with the distribution, over-allot securities or enter into any transaction that is intended to stabilize or maintain the market price of the Securities or securities of the same class as the Securities distributed under this

Prospectus, including selling an aggregate number or principal amount of securities that would result in the Investment Dealer creating an over-allocation position in the Securities.

SELLING SECURITYHOLDERS

This Prospectus may also, from time to time, relate to the offering of Securities by way of a secondary offering by certain Selling Securityholders. The terms under which the Securities may be offered by Selling Securityholders will be described in the applicable Prospectus Supplement. The Prospectus Supplement for or including any offering of Securities by Selling Securityholders will include, without limitation, where applicable: (a) the names of the Selling Securityholders; (b) the number and type of Securities owned, controlled or directed by each of the Selling Securityholders; (c) the number of Securities being distributed for the account of each Selling Securityholder; (d) the number of Securities to be owned, controlled or directed by the Selling Securityholders after the distribution and the percentage that number or amount represents out of the total number of outstanding Securities of the relevant class; (e) whether the Securities are owned by the Selling Securityholders, both of record and beneficially, of record only or beneficially only; (f) if the Selling Securityholder purchased any of the Securities held by it in the 24 months preceding the date of the Prospectus Supplement, the date or dates on which the Selling Securityholders acquired the Securities; and (g) if the Selling Securityholder acquired the Securities held by it in the 12 months preceding the date of the Prospectus Supplement, the cost thereof to the Selling Securityholder in the aggregate and on a per security basis.

USE OF PROCEEDS

The use of proceeds from the sale of Securities will be described in the Prospectus Supplement relating to the specific issuance of Securities. The Company will not receive any proceeds from any sale of Common Shares by the Selling Securityholders.

RISK FACTORS

Before deciding whether to invest in any Securities, prospective investors should consider the risks identified and discussed in the documents incorporated by reference in this Prospectus (including Definity's then-current annual information form and Definity's then-current annual management's discussion and analysis of financial condition and results of operations and interim management's discussion and analysis of financial condition and results of operations, if applicable) and, if applicable, the risks described in a Prospectus Supplement relating to a specific offering of Securities.

AGENT FOR SERVICE OF PROCESS

Edouard Schmid is a director of Definity who resides outside of Canada. Mr. Schmid has appointed the following agent for service of process:

<u>Name of the Person or Company</u>	<u>Name and Address of Agent</u>
Edouard Schmid	Definity Financial Corporation 111 Westmount Road South, Waterloo, Ontario, N2L 2L6

Purchasers are advised that it may not be possible for investors to enforce judgements obtained in Canada against any person who resides outside Canada, even if the party has appointed an agent for service of process in Canada.

AUDITOR, TRANSFER AGENT AND REGISTRAR

Definity's auditor is Ernst & Young LLP, located at 420 Wes Graham Way, Suite 300, Waterloo, Ontario, N2L 0J6. Ernst & Young LLP has advised the Company that it is independent in the context of the CPA Code of Professional Conduct of Chartered Professional Accountants of Ontario.

The transfer agent and registrar for the Common Shares is Computershare Trust Company of Canada at its principal office located at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1.

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in some provinces and territories of Canada provides purchasers of securities with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser are not sent or delivered to the purchaser. However, purchasers of Securities distributed under an at-the-market distribution by Definity do not have the right to withdraw from an agreement to purchase the Securities and do not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the prospectus, prospectus supplement, and any amendment relating to Securities purchased by such purchaser because the prospectus, prospectus supplement, and any amendment relating to the Securities purchased by such purchaser will not be sent or delivered, as permitted under Part 9 of NI 44-102.

Securities legislation in some provinces and territories of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contains a misrepresentation. Those remedies must be exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Securities distributed under an at-the-market distribution by Definity may have against Definity or its agents for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplement, and any amendment relating to securities purchased by a purchaser contain a misrepresentation will remain unaffected by the non-delivery of the prospectus referred to above.

Original purchasers of Debt Securities, Subscription Receipts or Warrants (or Units comprised partly thereof) that are convertible into, or exchangeable or exercisable for, other securities of Definity will be granted a contractual right of action for rescission against Definity in respect of the conversion, exchange or exercise of such Debt Securities, Subscription Receipts or Warrants. The contractual right of rescission will be further described in any applicable Prospectus Supplement but will, in general, entitle such original purchasers to receive the amount paid upon conversion, exchange or exercise (and any additional amount paid upon conversion, exchange or exercise), upon surrender of the underlying securities gained thereby, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable security under this Prospectus. Original purchasers are further cautioned that in certain provinces the statutory right of action for damages in connection with a prospectus misrepresentation is limited to the amount paid for the convertible, exchangeable or exercisable security that was purchased under a prospectus, and therefore a further payment at the time of conversion, exchange or exercise may not be recoverable in a statutory action for damages.

A purchaser should refer to applicable securities legislation for the particulars of these rights and should consult a legal advisor.

NON-IFRS FINANCIAL MEASURES

The financial statements of the Company incorporated by reference in this Prospectus have been prepared in accordance with International Financial Reporting Standards (“GAAP”). We measure and evaluate performance of our business using a number of financial measures. Among these measures are the “supplementary financial measures”, “non-GAAP financial measures” and “non-GAAP ratios” (as such terms are defined under Canadian Securities Administrators’ National Instrument 52-112 – *Non-GAAP and Other Financial Measures Disclosure*) included in the documents incorporated by reference in this Prospectus, which in each case are not standardized financial measures under GAAP. These financial measures may not be comparable to similar measures presented by other companies and should not be considered in isolation or as a substitute for analysis of our financial information reported under GAAP.

For more information about these measures, including (where applicable) an explanation of how that measure provides useful information and a quantitative reconciliation of each non-GAAP financial measure to its most directly

comparable GAAP measure disclosed in the Annual Financial Statements, see “Supplementary Financial Measures and Non-GAAP Financial Measures and Ratios” in the Annual MD&A, which is incorporated by reference herein, and equivalent disclosures in subsequent management’s discussion and analysis of financial condition and results of operations and other disclosure documents that may be incorporated by reference in this Prospectus.

CERTIFICATE OF DEFINITY FINANCIAL CORPORATION

Dated: May 30, 2022

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

(Signed) Rowan Saunders

President and Chief Executive Officer

(Signed) Philip Mather

Executive Vice-President and Chief Financial Officer

On behalf of the Board of Directors

(Signed) John Bowey

Director

(Signed) Richard (Dick) Freeborough

Director