

FORM 51-102F3

MATERIAL CHANGE REPORT

1. NAME AND ADDRESS OF COMPANY

E-L Financial Corporation Limited (the “**Company**”)
165 University Avenue, 10th Floor
Toronto, ON
M5H 3B8

2. DATE OF MATERIAL CHANGE

November 9, 2020

3. NEWS RELEASE

A news release announcing the material change described below was disseminated via Canada News Wire on November 9, 2020. Such news release has been filed on SEDAR.

4. SUMMARY OF MATERIAL CHANGE

On November 9, 2020, the Company announced its intention to commence a substantial issuer bid (the “**Offer**”) pursuant to which the Company will offer to purchase up to \$100,000,000 in value of its outstanding common shares (the “**Shares**”) from holders of Shares (the “**Shareholders**”) for cash, at a purchase price not less than \$650.00 and not more than \$750.00 per Share.

5. FULL DESCRIPTION OF MATERIAL CHANGE

Terms of the Substantial Issuer Bid

On November 9, 2020, the Company announced its intention to purchase up to \$100,000,000 in value of its Shares from Shareholders for cash. As of November 6, 2020, there were 3,818,439 Shares issued and outstanding. The Offer would be for approximately 4.0% of the total number of issued and outstanding Shares if the purchase price is determined to be \$650.00 (which is the minimum price per Share under the Offer) or approximately 3.5% of the total number of issued and outstanding Shares if the purchase price is determined to be \$750.00 (which is the maximum price per Share under the Offer).

The Offer will proceed by way of a “modified Dutch auction”. Shareholders wishing to tender to the Offer will be entitled to do so pursuant to: (i) auction tenders in which they will specify the number of Shares being tendered at a price not less than \$650.00 and not more than \$750.00 per Share in increments of \$5.00 per Share, or (ii) purchase price tenders in which they will not specify a price per Share, but will rather agree to have a specified number of Shares purchased at the purchase price to be determined by auction tenders.

The purchase price to be paid by the Company for each validly deposited Share will be based on the number of Shares validly deposited pursuant to auction tenders and purchase price tenders, and the prices specified by Shareholders making auction tenders. The purchase price will be the lowest price which enables the Company to purchase the maximum number of Shares not exceeding an aggregate of \$100,000,000 in value based on valid auction tenders and purchase price tenders, determined in accordance with the terms of the Offer. Shares deposited at or below the finally determined purchase price will be purchased at such purchase price. Shares that are not taken up in connection with the Offer, including Shares deposited pursuant to auction tenders at prices above the purchase price, will be returned to the Shareholders.

If the aggregate purchase price for Shares validly tendered pursuant to auction tenders and purchase price tenders is greater than the amount available for auction tenders and purchase price tenders, the Company will purchase Shares from the holders of Shares who made purchase price tenders or tendered at or below the finally determined purchase price on a pro rata basis, except that "odd lot" holders (holders of less than 100 Shares) will not be subject to proration.

The Offer commenced on November 11, 2020 and will expire at 11:59 p.m. (Eastern time) on December 16, 2020 (the "**Expiration Time**"), unless withdrawn or extended by the Company. The Offer will not be conditional upon any number of Shares being tendered. The Offer will, however, be subject to other conditions and the Company will reserve the right, subject to applicable laws, to withdraw or amend the Offer, if, at any time prior to the payment of deposited Shares, certain events occur.

Details of the Offer, including instructions for tendering Shares to the Offer and the factors considered by the Board of Directors in making its decision to approve the Offer, are included in the formal offer to purchase and issuer bid circular and other related documents (the "**Offer Documents**"), which were mailed to Shareholders and filed with applicable Canadian Securities Administrators on November 11, 2020. The Offer Documents are available free of charge on SEDAR (www.sedar.com).

The Board of Directors of the Company has obtained a liquidity opinion from Cormark Securities Inc. ("**Cormark**") to the effect that, based on and subject to the qualifications, assumptions and limitations stated in such opinion, a liquid market exists for the Shares as of November 9, 2020, and that it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for the holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer.

The Company has engaged Scotia Capital Inc. ("**Scotiabank**") to act as financial advisor and dealer manager for the Offer. The Company has also engaged Computershare Trust Company of Canada ("**Computershare**") to act as depositary for the Offer.

This report is not a substitute for the Offer Documents and Shareholders and all other interested parties are encouraged to read the Offer Documents and any amendments or supplements in their entirety.

6. RELIANCE ON SUBSECTION 7.1(2) OF NATIONAL INSTRUMENT 51-102

Not applicable.

7. OMITTED INFORMATION

No information has been intentionally omitted from this form.

8. EXECUTIVE OFFICER

For further information regarding this Material Change Report, contact:

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9. DATE OF REPORT

November 16, 2020

Forward Looking Statements

Certain information herein may contain forward-looking information within the meaning of applicable securities regulation. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward-looking statements. These statements include, without limitation, statements regarding the Company's intentions and expectations with respect to the Offer, the terms and conditions of the Offer, including the aggregate number of Shares to be purchased for cancellation under the Offer and the expected expiration date of the Offer, and purchases thereunder and the effects of purchases under the Offer. Purchases made under the Offer are not guaranteed and may be suspended at the discretion of the Board of Directors. The Company believes the expectations reflected in the forward-looking statements in this report are reasonable but no assurance can be given that these expectations will prove to be correct and such forward- looking statements should not be unduly relied upon. Forward-looking information is based on a number of assumptions and is subject to a number of risks and uncertainties that may cause the results or events mentioned in this report to differ materially from those that are discussed in or implied by such forward-looking information. These risks and uncertainties include, but are not limited to, general, local economic, and business conditions. All forward-looking information in this report speaks as of the date hereof. The Company does not undertake to update any such forward-looking information whether as a result of new information, future events or otherwise. Additional information about these assumptions and risks and uncertainties is disclosed in filings with securities regulators filed on SEDAR (www.sedar.com).