

FORM 51-102F3

MATERIAL CHANGE REPORT

**Item 1 Name and Address of Corporation**

Trisura Group Ltd. (“Trisura”)  
333 Bay Street  
Suite 1610, Box 22  
M5H 2R2

**Item 2 Date of Material Change**

November 29, 2017

**Item 3 News Release**

News releases were issued on November 29, 2017 and December 1, 2017 and filed on SEDAR. A copy of the news releases are attached hereto at Schedule “A” and are incorporated by reference herein.

**Item 4 Summary of Material Change**

On November 29, 2017, Trisura announced that it had agreed to acquire (the “Acquisition”) the remaining 40% interest in 6436978 Canada Limited (“Trisura Guarantee Holdco”), which holds 100% of Trisura Guarantee Insurance Company (“Trisura Guarantee”), that it did not own from a group of current employees and directors of Trisura Guarantee (the “TG Management Group”) in exchange for common shares of Trisura (the “Common Shares”) and, in the case of certain members of the TG Management Group, unlisted cumulative fixed rate reset preference shares of Trisura (the “Preferred Shares”). On December 1, 2017, Trisura announced the completion of the Acquisition.

**Item 5 Full Description of Material Change**

*Item 5.1 - Full Description of Material Change*

On November 29, 2017, Trisura reached an agreement to acquire the remaining 40% interest in Trisura Guarantee Holdco that it did not own from the TG Management Group in exchange for Common Shares and, in the case of certain members of the TG Management Group, Preferred Shares. Trisura completed the Acquisition on December 1, 2017 and, as a result, owns 100% of the common shares of Trisura Guarantee Holdco.

The Preferred Shares were issued at a price of \$25.00 per share. Holders of the Preferred Shares are entitled to receive a cumulative quarterly fixed dividend yielding 6.00% annually for an initial five-year period ending December 31, 2022. Thereafter, the dividend rate will be reset every five years at a rate equal to the 5-year Government of Canada bond yield plus 7.50%.

In connection with the Acquisition, Trisura issued the following Common Shares and Preferred Shares:

| Consideration    | Number of Shares | Value        |
|------------------|------------------|--------------|
| Common Shares    | 963,143          | \$27,343,629 |
| Preferred Shares | 64,000           | \$1,600,000  |

The number of Common Shares issued as part of the transaction represents 16.6% of the total number of Common Shares previously outstanding. As part of the Acquisition, certain directors and officers of Trisura Guarantee received an aggregate of 580,272 Common Shares, representing 9.98% of the total issued and outstanding Common Shares, and all of the Preferred Shares. The Acquisition has been approved by the Toronto Stock Exchange.

The Preferred Shares were issued at a price of \$25.00 per share. Holders of the Preferred Shares are entitled to receive a cumulative quarterly fixed dividend yielding 6.00% annually for an initial five-year

period ending December 31, 2022. Thereafter, the dividend rate will be reset every five years at a rate equal to the 5-year Government of Canada bond yield plus 7.50%.

A special committee of the board of directors of Trisura, comprising entirely independent directors, considered the Acquisition and unanimously recommended the Acquisition to the board of directors of Trisura, who then unanimously approved the Acquisition. The Acquisition was intended to better align the interests of management with those of Trisura and to simplify Trisura's corporate structure.

The securities transfer agreements between Trisura and each member of the TG Management Group contain representations and warranties and related indemnities to Trisura from each member of the TG Management Group and vice versa, including representations and warranties concerning: (i) organization and good standing or, in the case of the TG Management Group member, capacity; (ii) execution, delivery and enforceability of the agreement and all agreements executed in connection therewith; and (iii) in the case of the TG Management Group member, title to the securities being transferred to Trisura. Each senior member of the TG Management Group has entered into a lock-up agreement in respect of 50% of the Common Shares received, which expires December 23, 2018. The unanimous shareholder agreement between the Trisura Guarantee Holdco, TG Management Group and Trisura was terminated in connection with the Acquisition.

The Acquisition is considered a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. The Acquisition is exempt from the formal valuation and minority approval requirements that would otherwise apply because neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Acquisition exceeds 25% of Trisura's market capitalization.

Trisura did not file a material change report more than 21 days before the expected closing date of the Acquisition as the terms of the Acquisition were not settled until shortly prior to the closing of the Acquisition and it was determined that it was in the best interests of Trisura to close the Acquisition shortly after the parties having reached an agreement with respect to the terms of the Acquisition.

*Item 5.2 - Disclosure For Restructuring Transactions*

Not applicable.

**Item 6 Reliance of Section 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

For more information, please contact:

David Clare  
Chief Investment Officer  
647-503-6516

**Item 9 Date of Report:**

December 4, 2017

**SCHEDULE "A"**  
**NEWS RELEASES**



## PRESS RELEASE

*All amounts in C\$*

### **TRISURA GROUP ANNOUNCES AGREEMENT TO ACQUIRE 40% MANAGEMENT INTEREST IN CANADIAN SUBSIDIARY**

**TORONTO, November 29, 2017** — Trisura Group Ltd. (“Trisura”) today announced that it has agreed to acquire the remaining 40% management interest in its Canadian subsidiary that holds Trisura Guarantee Insurance Company (“Trisura Guarantee”). Trisura currently holds a 60% interest in the Canadian subsidiary. Trisura agreed to acquire the 40% interest from a group of current employees and directors of Trisura Guarantee (the “TG Management Group”) in exchange for common and preferred shares of Trisura. Trisura Guarantee is a leading Canadian specialty insurance provider, which operates in the surety, risk solutions and corporate insurance segments of the market.

“Exchanging Trisura Guarantee management’s ownership for shares of Trisura is an important development for us as we integrate our operations and develop our broader platform,” stated Greg Morrison, President and CEO of Trisura. “This transaction better aligns management interests across Trisura with our shareholders, allows all members of our team to participate in Trisura’s growth and simplifies our corporate structure.”

“The management and employee shareholders of Trisura Guarantee are pleased to have reached an agreement to exchange our current shareholding for a significant stake in Trisura, the global public entity,” said Mike George, President and CEO of Trisura Guarantee. “The share exchange will enable us to participate in the future growth of Trisura, as well as helping us achieve our strategic initiatives in Canada and abroad. We look forward to working closely together with Trisura in building an even more successful and significant company in the future.”

A Special Committee composed of Trisura independent directors Paul Gallagher, Bart Hedges and David Nowak was formed to review the proposed acquisition and make a recommendation to the Trisura board of directors. Following its review, the Committee unanimously recommended that the Trisura board proceed with the proposal on the basis that it was in Trisura’s best interests, and the Trisura board unanimously approved the transaction.

#### **Transaction Terms**

Trisura has agreed to purchase TG Management Group’s interest in Trisura Guarantee in exchange for Trisura common shares, and in the case of certain members of the TG Management Group, preferred shares of Trisura.

The preferred shares will be issued at a price of \$25 per share. Holders of the preferred shares are entitled to receive a cumulative quarterly fixed dividend yielding 6.00% annually for an initial five-year period ending December 31, 2022. Thereafter, the dividend rate will be reset every five years at a rate equal to the 5-year Government of Canada bond yield plus 7.50%.

The number of common shares to be issued as part of the transaction represents 16.6% of the total number of common shares currently outstanding. The transaction has been conditionally approved by the Toronto Stock Exchange

| <b>Consideration</b> | <b>Number of Shares</b> | <b>Value</b> |
|----------------------|-------------------------|--------------|
| Common Shares        | 963,143                 | \$27,343,629 |



## PRESS RELEASE

|                  |        |             |
|------------------|--------|-------------|
| Preferred Shares | 64,000 | \$1,600,000 |
|------------------|--------|-------------|

Senior members of the TG Management Group have agreed to enter into a lock-up agreement for 50% of the common shares they will receive, which will expire on December 23, 2018. As a result of the transaction, the shareholders agreement between TG Management Group and Trisura will be terminated.

### Financial Impact

Management expects the transaction to be accretive to earnings and book value per share in 2018. Following the transaction, it is expected that Trisura's debt to capital ratio will decline below our target maximum of 20%.

### About Trisura Group Ltd.

Trisura Group Ltd. is an international specialty insurance provider operating in the surety, risk solutions, corporate insurance and reinsurance segments of the market. Trisura has three principal regulated subsidiaries: Trisura Guarantee Insurance Company in Canada, Trisura Specialty Insurance Company in the USA and Trisura International Insurance Ltd. In Barbados. Trisura Group is listed on the Toronto Stock Exchange under the symbol "TSU".

Further information is available at <http://www.trisura.com/group>. Important information may be disseminated exclusively via the website; investors should consult the site to access this information. Details regarding the operations of Trisura Group are also set forth in regulatory filings. A copy of the filings may be obtained on Trisura Group's SEDAR profile at [www.sedar.com](http://www.sedar.com).

For more information, please contact:  
Name: David Clare, Chief Investment Officer  
Tel: 647-503-6516  
Email: [dclare@pvii.ca](mailto:dclare@pvii.ca)

### Cautionary Statement Regarding Forward-Looking Statements and Information

*Note: This news release contains "forward-looking information" within the meaning of Canadian provincial securities laws and "forward-looking statements" within the meaning of applicable Canadian securities regulations. The words "will", "intends" and derivations thereof and other expressions that are predictions of or indicate future events, trends or prospects and which do not relate to historical matters identify forward-looking statements.*

*Forward-looking statements in this news release include statements with respect to the acquisition of the 40% interest not already held by Trisura in the Canadian subsidiary that owns Trisura Guarantee Insurance Company, including its expected financial impact. Although Trisura believes that such forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information as such statements and information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Trisura to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.*

*Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behavior of financial markets, including fluctuations*



## **PRESS RELEASE**

*in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; ability to collect amounts owed; catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts and cyber terrorism; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada.*

*We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, Trisura undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.*



## **Trisura Group Completes Acquisition of 40% Management Interest in Canadian Subsidiary**

*All amounts in C\$*

TORONTO, Dec. 01, 2017 -- Trisura Group Ltd. ("Trisura") (TSX:TSU) today announced the completion of its acquisition of the remaining 40% interest in its Canadian subsidiary that holds Trisura Guarantee Insurance Company ("Trisura Guarantee") from a group of current employees and directors of Trisura Guarantee in exchange for a total of 963,143 common shares of Trisura and 64,000 unlisted cumulative fixed rate reset preferred shares of Trisura. Trisura Guarantee is a leading Canadian specialty insurance provider, which operates in the surety, risk solutions and corporate insurance segments of the market.

### **About Trisura Group Ltd.**

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Further information is available at <http://www.trisura.com/group>. Important information may be disseminated exclusively via the website; investors should consult the site to access this information. Details regarding the operations of Trisura Group are also set forth in regulatory filings. A copy of the filings may be obtained on Trisura Group's SEDAR profile at [www.sedar.com](http://www.sedar.com).

For more information, please contact:

Name: David Clare, Chief Investment Officer

Tel: 647-503-6516

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*Forward-looking statements in this news release include statements with respect to the acquisition of the 40% interest not already held by Trisura in the Canadian subsidiary that owns Trisura Guarantee Insurance Company. Although Trisura believes that such forward-looking statements and information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking statements and information as such statements and information involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Trisura to differ materially from anticipated future results, performance or achievement expressed or implied by such forward-looking statements and information.*

*Factors that could cause actual results to differ materially from those contemplated or implied by forward-looking statements include, but are not limited to: the impact or unanticipated impact of general economic, political and market factors in the countries in which we do business; the behavior of financial markets, including fluctuations in interest and foreign exchange rates; global equity and capital markets and the availability of equity and debt financing and refinancing within these markets; strategic actions including dispositions; the ability to complete and effectively integrate acquisitions into existing operations and the ability to attain expected benefits; changes in accounting policies and methods used to report financial condition (including uncertainties associated with critical accounting assumptions and estimates); the ability to appropriately manage human capital; the effect of applying future accounting changes; business competition; operational and reputational risks; technological change; changes in government regulation and legislation within the countries in which we operate; governmental investigations; litigation; changes in tax laws; ability to collect amounts owed; catastrophic events, such as earthquakes and hurricanes; the possible impact of international conflicts and other developments including terrorist acts and cyber terrorism; and other risks and factors detailed from time to time in our documents filed with the securities regulators in Canada.*

*We caution that the foregoing list of important factors that may affect future results is not exhaustive. When relying on our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Except as required by law, Trisura undertakes no obligation to publicly update or revise any forward-looking statements or information, whether written or oral, that may be as a result of new information, future events or otherwise.*