Form 51-102F3
Material Change Report

1. Name and Address of Company

Intact Financial Corporation
700 University Avenue, Suite 1500-A (Legal)
Toronto Ontario
M5G 0A1

2. Date of Material Change

November 18, 2020, November 12, 2020 and November 11, 2020.

3. News Release

Intact Financial Corporation ("**Intact**") issued press releases on November 18, 2020 and November 12, 2020 through the facilities of Cision.

4. Summary of Material Change

On November 18, 2020, an announcement (the "**2.7 Announcement**") in accordance with Rule 2.7 of the U.K. City Code on Takeovers and Mergers (the "**UK Code**") was released pursuant to which the boards of Regent Bidco Limited ("**Bidco**"), a wholly-owned subsidiary of Intact, Intact, Tryg A/S ("**Tryg**") and RSA Insurance Group plc ("**RSA**") announced that they had reached an agreement on the terms of a recommended cash offer to be made by Bidco for the entire issued and to be issued share capital of RSA (the "**Acquisition**") at a price of 685 pence per ordinary share, representing a total consideration of approximately £7.2 billion ($12.3 billion), approximately £4.2 billion of which is to be contributed by Tryg (from the proceeds of the Tryg Rights Issue (as defined herein)) and £3.0 billion of which is to be contributed by Intact, and the associated separation following Completion (as defined herein) of RSA's Scandinavian business (the "**Scandinavia Separation**" and together with the Acquisition, the Bought Deal Offering and the Cornerstone Private Placements (each as defined below) collectively, the "**Transaction**"). Pursuant to the Transaction, Intact will indirectly acquire RSA's Canadian, UK and international businesses, Tryg will acquire RSA's Swedish and Norwegian businesses and Intact and Tryg will co-own RSA's Danish business. The closing of the Acquisition is expected to occur during the second quarter of 2021 subject to receipt of all required approvals and the satisfaction of certain other closing conditions set out in the 2.7 Announcement.

In order to fund a portion of the Acquisition consideration, on November 11, 2020 Intact entered into separate subscription agreements (collectively, the "**Cornerstone Subscription Agreements**") with each of CDPQ Marchés boursiers inc. ("**CDPQ**"), a wholly-owned subsidiary of Caisse de dépót et placement du Québec, CPP Investment Board PMI-2 Inc. ("**CPPIB**"), a wholly-owned subsidiary of Canada Pension Plan Investment Board, and 2380162 Ontario Limited, a wholly-owned subsidiary of Ontario Teachers' Pension Plan ("**OTPP**", and together with CPPIB and CDPQ, the "**Cornerstone Investors**"), to issue an aggregate of 23.8 million subscription receipts of Intact (the "**Cornerstone Subscription Receipts**") on a private placement basis at a price of

$134.50 per Cornerstone Subscription Receipt (the “**Cornerstone Issue Price**”) for gross proceeds of $3.2 billion (the “**Cornerstone Private Placements**”).

Intact has also entered into an agreement (the “**Underwriting Agreement**”), on a “bought deal” basis with a syndicate of underwriters (the “**Underwriters**”) led by CIBC Capital Markets and Barclays Capital Canada Inc. as joint book runners (the “**Joint Bookrunners**”), for a private placement of 9,272,000 subscription receipts of Intact (the “**Bought Deal Subscription Receipts**”) at a price of $134.50 per Bought Deal Subscription Receipt (the “**Bought Deal Issue Price**”) for aggregate gross proceeds of $1.25 billion (the “**Bought Deal Offering**”).

Each Bought Deal Subscription Receipt and Cornerstone Subscription Receipt will entitle the holder thereof to receive automatically upon Completion and without any action on the part of the holder or payment of additional consideration, one common share of Intact (a “**Common Share**”).

Intact has also entered into a bridge and term loan credit agreement dated November 18, 2020 (the “**Credit Agreement**”) in connection with the funding of the Acquisition consideration.

This Material Change Report contains a summary of certain of the terms of, among other things, the 2.7 Announcement, the Separation Agreement (as defined herein), the Collaboration Agreement (as defined herein), the Co-operation Agreement (as defined herein), the UK Pension Scheme Guarantees (as defined herein), the Cornerstone Subscription Agreements, the Bought Deal Subscription Receipt Agreement (as defined herein), the Cornerstone Subscription Receipt Agreement (as defined herein), the Underwriting Agreement and the Credit Agreement, but does not purport to be complete and is subject to, and qualified in its entirety by, reference to the terms of such documents, copies of which will be filed on Intact’s SEDAR profile at www.sedar.com. The rounding of certain figures contained in this Material Change Report (including the schedule) may cause a nonmaterial discrepancy in totals, subtotals and percentages.

5. Full Description of Material Change

5.1 *Full Description of Material Change*

The Acquisition

On November 18, 2020, the 2.7 Announcement was released pursuant to which the boards of Bidco, Intact, Tryg and RSA announced that they had reached an agreement on the terms of a recommended cash offer to be made by Bidco for the entire issued and to be issued share capital of RSA at a price of 685 pence per ordinary share, representing a total consideration of approximately £7.2 billion ($12.3 billion) and the associated separation of RSA’s Scandinavian business following Completion. Pursuant to the Transaction, Intact will indirectly acquire RSA’s Canadian, UK and international businesses, Tryg will acquire RSA’s Swedish and Norwegian businesses and Intact and Tryg will co-own RSA’s Danish business.

It is anticipated that the Acquisition will be effected by way of a court-sanctioned scheme of arrangement pursuant to the U.K. Companies Act 2006 (the “**UK Act**”); however, it remains possible that Bidco could effect the Acquisition by way of a takeover offer pursuant to the UK Act. The closing of the Acquisition is expected to occur during the second quarter of 2021 and is subject to: (i) the receipt of required competition and insurance regulatory approvals; (ii) approval by holders of RSA shares at a meeting of RSA shareholders convened pursuant to the UK Act to approve the Acquisition; and (iii) the satisfaction of certain other closing conditions set out in the 2.7 Announcement.

Intact, Tryg and Bidco entered into a collaboration agreement on the date of the 2.7 Announcement (the "**Collaboration Agreement**"), pursuant to which they have agreed to co-operate to implement the Acquisition. The terms of the Collaboration Agreement include an agreement by the parties to use reasonable efforts to obtain the merger control and regulatory approvals necessary for the Acquisition for which they are each responsible, and for Tryg to carry out the Tryg Rights Issue and obtain the necessary approvals, and to share information necessary for such approvals. The parties also agree not to enter into any transaction or take any action which would reasonably be expected to prejudice or delay satisfaction of the Transaction conditions.

In connection with the Scandinavia Separation, Intact, Tryg and Bidco (among others) have entered into a separation agreement on the date of the 2.7 Announcement (the "**Separation Agreement**"), pursuant to which, conditional upon (amongst other things) the Acquisition becoming effective in accordance with the UK Act ("**Completion**"), Intact and Tryg have agreed that RSA's Swedish and Norwegian businesses shall be transferred to the control of Tryg, with Intact and Tryg co-owning RSA's Danish business on a 50/50 economic basis.

Bidco, Tryg and RSA have agreed that it will be a term of the scheme of arrangement that, subject to applicable law, the Scandinavia Separation occurs. The Scandinavia Separation will be effected through a reorganization completed immediately following Completion.

Intact intends that, pending an assessment of the available strategic alternatives for RSA's Danish business, it will be operated in the ordinary course and in accordance with existing business plans in place at Completion. Tryg and RSA's Danish business will remain completely separate independent companies and competitors.

On the date of the 2.7 Announcement, Intact, Bidco, Tryg and RSA also entered into a co-operation agreement (the "**Co-Operation Agreement**"), pursuant to which, among other things, Intact, Bidco, Tryg and RSA have agreed: (i) to co-operate and provide each other with reasonable information, assistance and access in relation to the filings, submissions and notifications to be made for the process of obtaining all consents, clearances, permissions, waivers and/or approvals as may be necessary under the law, regulations or practices applied by any applicable regulatory authority in connection with the Transaction; (ii) to certain provisions that will apply in respect of RSA equity plans and certain other arrangements regarding employment matters and employee incentives; and (iii) that the Transaction, which is intended to be completed through a scheme of arrangement pursuant to the UK Act, may instead be completed pursuant to a take over offer pursuant to the UK Act only with RSA's consent.

In addition, RSA has agreed to co-operate in the preparation of a prospectus and other such documents required in respect of an issuance of rights by Tryg (the "**Tryg Rights Issue**"), the proceeds of which will be used by Tryg to purchase shares in Scandi JVco from 2283485 Alberta Ltd. ("**Canada Holdco**"), the immediate parent company of Bidco, and to ensure certain actions are taken in connection with the Scandinavia Carve-Out in accordance with the scheme of arrangement. Intact, Bidco and Tryg have also agreed to certain obligations to obtain regulatory clearances, including that (subject to limited exceptions) the person(s) responsible for obtaining the relevant clearances will take all such actions as are necessary to ensure the satisfaction of the relevant conditions.

In connection with the Acquisition, Intact has agreed to provide, conditional on Completion, parent company guarantees (collectively, "**UK Pension Scheme Guarantees**") in respect of all present and future obligations of RSA to make payments to three UK defined benefit pension schemes that are supported by RSA's businesses (collectively, the "**UK Pension Schemes**"), a lump sum payment of approximately £75 million across the UK Pension Schemes, as well as certain other support relating to the UK Pension Schemes.

For additional details relating to the Acquisition, please see Intact's press release dated November 18, 2020 that has been filed on Intact's SEDAR profile at www.sedar.com and is incorporated by reference herein.

The Cornerstone Private Placements

In order to fund a portion of the Acquisition, Intact has entered into the Cornerstone Subscription Agreements with each of the Cornerstone Investors. Pursuant to the Cornerstone Subscription Agreements, the Cornerstone Investors have agreed to purchase an aggregate of 23.8 million Cornerstone Subscription Receipts at the Cornerstone Issue Price for aggregate gross proceeds to Intact of $3.2 billion. The Cornerstone Private Placements are expected to close on or about November 25, 2020 (the "**Cornerstone Closing Date**").

If the Acquisition closes, Intact has agreed to pay a fee to each Cornerstone Investor at the time that the Common Shares are issued pursuant to such Cornerstone Investors' Cornerstone Subscription Receipts, in cash or such other form or forms of payment as Intact and such Cornerstone Investor may mutually agree, equal to 4.0% of the aggregate Cornerstone Issue Price for such Cornerstone Investors' Cornerstone Subscription Receipts in relation to which Common Shares are issued on closing of the Acquisition.

The terms of the Cornerstone Subscription Receipts will be governed by a subscription receipt agreement (the "**Cornerstone Subscription Receipt Agreement**") to be entered into among Intact, the Cornerstone Investors and Computershare Trust Company of Canada, as escrow agent.

The proceeds from the sale of the Cornerstone Subscription Receipts ("**Cornerstone Escrowed Proceeds**") will be delivered to and held by Computershare Trust Company of Canada, as escrow agent, and, together with any earned interest or income thereon, will be invested in accordance with the terms of the Cornerstone Subscription Receipt Agreement

If a holder of Cornerstone Subscription Receipts (alone or together with its affiliates) would be expected to own or exercise control or direction (or both) over 10% or more of the then outstanding Common Shares upon issuance of the Common Shares pursuant to the Cornerstone Subscription Receipts held by such holder, the receipt of such excess Common Shares that would result in a holding of 10% or more is subject to obtaining all necessary regulatory approvals relating thereto prior to the scheduled Acquisition closing date. If any such approval has not by then been obtained, or as applicable, waived by Intact, the Cornerstone Subscription Receipts that would otherwise entitle the holder thereof to receive such excess Common Shares ("**Excess Subscription Receipts**") will be cancelled immediately prior to closing of the Acquisition and the holder thereof will be entitled to receive an amount equal to (x) the aggregate Cornerstone Issue Price, as applicable, for such Excess Subscription Receipts, plus (y) the pro rata portion of the earned interest or income attributable to such aggregate Cornerstone Issue Price (the "**Excess Subscription Payment**").

The Cornerstone Investors have agreed not to, and have agreed to procure certain of their affiliates not to, from the closing of the Cornerstone Private Placements until the earlier of (i) the date that is one (1) month following the issuance of Common Shares pursuant to the Cornerstone Subscription Receipts and (ii) the date that is twelve (12) months following the closing of the Cornerstone Private Placements, sell or otherwise dispose of any of the Cornerstone Subscription Receipts and, following the issuance of Common Shares pursuant to the Cornerstone Subscription Receipts, that number of Common Shares equal to the number of Common Shares acquired pursuant to the Cornerstone Subscription Receipts, subject to CDPQ's right to dispose of Excess Subscription Receipts and/or Common Shares in certain circumstances.

If the Acquisition has been deemed effective or unconditional, as applicable, in accordance with the UK Act prior to 11:59 p.m. (London UK local time) on December 31, 2021, the Cornerstone Escrowed Proceeds and any earned interest or income thereon, less certain amounts that may become payable under the Cornerstone Subscription Receipt Agreement, will be released to or as directed by Intact and each holder of a Cornerstone Subscription Receipt will be entitled to a cash payment in respect of the amount of each cash dividend declared by Intact on a Common Share during the period commencing on the Cornerstone Closing Date to (but excluding) the last day the Cornerstone Subscription Receipts are outstanding and for which the record date for such dividend falls within such period.

If (i) the Acquisition has not been deemed effective or unconditional, as applicable, in accordance with the UK Act prior to 11:59 p.m. (London UK local time) on December 31, 2021 or (ii) prior to such date and time (a) the scheme of arrangement lapses or is withdrawn and Intact confirms that it does not intend to proceed with the Acquisition or (b) if the Acquisition is implemented by way of a takeover offer and such takeover offer is terminated and Intact confirms that it does not intend to proceed with the Acquisition, each holder of Cornerstone Subscription Receipts will be entitled to an amount equal to (x) the aggregate Cornerstone Issue Price for such holder's Cornerstone Subscription Receipts plus (y) the pro rata portion of the earned interest or income attributable to such aggregate Cornerstone Issue Price paid from the Cornerstone Escrowed Proceeds.

In connection with the Cornerstone Private Placements, Intact will also enter into investor rights agreements with each of the Cornerstone Investors that will provide for (i) customary piggy-back registration rights, (ii) in the case of each of CDPQ and CPPIB, certain demand registration rights and (iii) in the case of CDPQ only, customary pre-emptive rights.

The Bought Deal Offering

To provide additional funding for the Acquisition, Intact has also entered into the Underwriting Agreement with respect to the Bought Deal Offering of 9,272,000 Bought

Deal Subscription Receipts, on a private placement basis, at the Bought Deal Issue Price for aggregate gross proceeds of $1.25 billion. The Underwriters are entitled to a fee of 3.75% of the gross proceeds from the sale of Bought Deal Subscription Receipts (the "**Underwriters' Fee**"). The Bought Deal Offering is expected to close on or about December 3, 2020 (the "**Bought Deal Offering Closing Date**").

The terms of the Bought Deal Subscription Receipts will be governed by a subscription receipt agreement (the "**Bought Deal Subscription Receipt Agreement**") to be entered into among Intact, the Joint Bookrunners and Computershare Trust Company of Canada, as escrow agent.

The proceeds from the sale of the Bought Deal Subscription Receipts, net of half of the Underwriters' Fee ("**Bought Deal Escrowed Proceeds**") will be delivered to and held by Computershare Trust Company of Canada, as escrow agent, and, together with any earned interest, will be invested in accordance with the terms of the Bought Deal Subscription Receipt Agreement.

By acquiring or holding a beneficial interest in Bought Deal Subscription Receipts, each beneficial holder of Bought Deal Subscription Receipts (i) will represent and warrant to Intact that the number of Common Shares issuable pursuant to its beneficial holdings of Bought Deal Subscription Receipts will not cause it, together with its affiliates, to have beneficial ownership of, or control or direction over (or both), 10% or more of the Common Shares issued and outstanding immediately following closing of the Acquisition, and (ii) will agree not to take any action prior to the earlier of (x) issuance of Common Shares pursuant to the terms of the Bought Deal Subscription Receipts, and (y) a termination event under the Bought Deal Subscription Receipt Agreement that would cause the representation in subparagraph (i), above, to be incorrect.

If the Acquisition has been deemed effective or unconditional, as applicable, in accordance with the UK Act prior to 11:59 p.m. (London UK local time) on December 31, 2021 and the Cornerstone Private Placements have closed, the Bought Deal Escrowed Proceeds and any earned interest or income thereon, less certain amounts payable under the Bought Deal Subscription Receipt Agreement, including the remainder of the Underwriters' Fee, will be released to or as directed by Intact and each holder of a Bought Deal Subscription Receipt will be entitled to a cash payment in respect of the amount of each cash dividend declared by Intact on a Common Share during the period commencing on the Bought Deal Offering Closing Date to (but excluding) the last day the Bought Deal Subscription Receipts are outstanding and for which the record date for such dividend falls within such period.

If (i) the Acquisition has not been deemed effective or unconditional, as applicable, in accordance with the UK Act, or the Cornerstone Private Placements have not closed, in each case, by 11:59 p.m. (London UK local time) on December 31, 2021 or (ii) prior to such date and time (a) the scheme of arrangement lapses or is withdrawn and Intact confirms that it does not intend to proceed with the Acquisition or (b) if the Acquisition is implemented by way of a takeover offer and such takeover offer is terminated and Intact confirms that it does not intend to proceed with the Acquisition, each holder of Bought Deal Subscription Receipts will be entitled to an amount equal to (x) the aggregate Bought Deal Issue Price for such holder's Bought Deal Subscription Receipts plus (y) the pro rata portion of the earned interest or income attributable to such aggregate Bought Deal Issue Price paid from the Bought Deal Escrowed Proceeds.

The Credit Agreement

Intact has engaged certain financial institutions to provide bridge facilities with aggregate total commitments of £1,465 million (together, the “**Intact Bridge Facilities**”) and a £350 million term loan facility pursuant to the Credit Agreement. The Credit Agreement was entered into in order to satisfy the “certain funds” requirement under the UK Code with respect to the Acquisition. The net proceeds of the Bought Deal Offering will be used to replace part of the Intact Bridge Facilities. Intact also intends to (subject to market conditions) replace all or part of the remaining portion of the Intact Bridge Facilities during the offer period with alternative sources of financing, including any or a combination of the issuance of debt securities and/or preferred shares of Intact.

5.2 *Disclosure for Restructuring Transactions*

Not applicable.

6. Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

7. Omitted Information

No information has been omitted on the basis that it is confidential information.

8. Executive Officer

For further information regarding this Material Change Report, contact Frédéric Cotnoir, Senior Vice-President, Corporate and Legal Services, and Secretary at: 514-985-7111.

9. Date of Report

November 20, 2020

Forward-Looking Statements

Certain of the statements included in this Material Change Report about the Transaction or any other future events or developments may constitute forward-looking statements. The words “may”, “will”, “would”, “should”, “could”, “expects”, “plans”, “intends”, “trends”, “indications”, “anticipates”, “believes”, “estimates”, “predicts”, “likely”, “potential” or the negative or other variations of these words or other similar or comparable words or phrases, are intended to identify forward-looking statements. Unless otherwise indicated, all forward-looking statements in this Material Change Report are made as of the date hereof, and are subject to change after that date.

Forward-looking statements are based on estimates and assumptions based on experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. In addition to other estimates and assumptions which may be identified herein, estimates and assumptions have been made regarding, among other things, the receipt of all requisite approvals in a timely manner and on terms acceptable to Intact, the realization of the expected strategic, financial and other benefits of the Transaction and economic and political environments and industry conditions. However, the completion of the Transaction is subject to customary closing conditions, termination rights and other risks and uncertainties, including, without limitation, regulatory approvals, and there can be no assurance that the Transaction, or any of its components, will be completed. There can also be no assurance that if the Transaction is completed, any strategic and financial benefits will be realized. Many factors could cause Intact's actual results, financial performance or condition, or achievements to differ materially from those expressed or implied by the forward-looking statements herein, including, without limitation, the following factors:

- expected regulatory processes and outcomes in connection with the Intact's business;
- Intact's ability to implement its strategy or operate its business as management currently expects;
- Intact's ability to accurately assess the risks associated with the insurance policies it writes;
- unfavourable capital market developments or other factors, including the impact of the COVID-19 pandemic and related economic conditions, which may affect Intact's investments, floating rate securities and funding obligations under its pension plans;
- the cyclical nature of the insurance industry;
- management's ability to accurately predict future claims frequency and severity, including in the high net worth and personal auto lines of business;
- government regulations designed to protect policyholders and creditors rather than investors;
- litigation and regulatory actions, including with respect to the COVID-19 pandemic;
- periodic negative publicity regarding the insurance industry;
- intense competition;
- Intact's reliance on brokers and third parties to sell its products to clients and provide services to Intact and the impact of COVID-19 and related economic conditions on such brokers and third parties;
- Intact's ability to successfully pursue its acquisition strategy;
- Intact's ability to execute its business strategy;
- the uncertainty of obtaining in a timely manner, or at all, the regulatory approvals required to complete the Transaction, including the issuance of the subscription receipts and the issuance of the Common Shares issuable pursuant to the subscription agreements;
- unfavourable capital markets developments or other factors that may adversely affect Intact's ability to finance the Acquisition;
- Intact's ability to improve its combined ratio, retain business and achieve synergies and maintain market position arising from successful integration plans relating to the Transaction, as well as management's estimates and expectations in relation to future economic and business conditions and other factors in relation to the Transaction and resulting impact on growth and accretion in various financial metrics;
- Intact's ability to otherwise complete the integration of the business acquired within anticipated time periods and at expected cost levels;
- Intact's dependence on key employees and its ability to attract and retain key employees in connection with the Transaction;
- Intact's ability to achieve synergies arising from successful integration plans relating to acquisitions generally;
- Intact's profitability and ability to improve its combined ratio in the United States;
- Intact's ability to retain and attract new business in connection with the Transaction;

- Intact's participation in the Facility Association (a mandatory pooling arrangement among all industry participants) and similar mandated risk-sharing pools;
- terrorist attacks and ensuing events;
- the occurrence and frequency of catastrophe events, including a major earthquake;
- catastrophe losses caused by severe weather and other weather-related losses, as well as the impact of climate change;
- the occurrence of and response to public health crises including epidemics, pandemics or outbreaks of new infectious diseases, including most recently, the coronavirus (COVID-19) pandemic and ensuing events;
- Intact's ability to maintain its financial strength and issuer credit ratings;
- Intact's access to debt and equity financing;
- Intact's ability to compete for large commercial business;
- Intact's ability to alleviate risk through reinsurance;
- Intact's ability to successfully manage credit risk (including credit risk related to the financial health of reinsurers);
- Intact's ability to contain fraud and/or abuse;
- Intact's reliance on information technology and telecommunications systems and potential failure of or disruption to those systems, including in the context of the impact on the ability of its workforce to perform necessary business functions remotely, as well as in the context of evolving cybersecurity risk;
- the impact of developments in technology and use of data on the Intact's products and distribution;
- changes in laws or regulations, including those adopted in response to COVID-19 that would, for example, require insurers to cover business interruption claims irrespective of terms after policies have been issued, and could result in an unexpected increase in the number of claims and have a material adverse impact on Intact's results;
- COVID-19 related coverage issues and claims, including certain class actions and related defence costs could negatively impact our claims reserves;
- general economic, financial and political conditions;
- Intact's dependence on the results of operations of its subsidiaries and the ability of the Intact's subsidiaries to pay dividends;
- the volatility of the stock market and other factors affecting the trading prices of Intact's securities, including in the context of the COVID-19 crisis;
- Intact's ability to hedge exposures to fluctuations in foreign exchange rates;
- future sales of a substantial number of the Intact's Common Shares; and
- changes in applicable tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof.

All of the forward-looking statements included in this Material Change Report are qualified by these cautionary statements and those made in the section entitled Risk Management (Sections 22-27) of our Management Discussion and Analysis ("**MD&A**") for the year ended December 31, 2019, and the section entitled Risk Management (sections 17-18) of our MD&A for the quarter ended September 30, 2020. These factors are not intended to represent a complete list of the factors that could affect Intact. These factors should, however, be considered carefully. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, Intact cannot assure investors that actual results will be consistent with these forward-looking statements. Investors should not rely on forward-looking statements to make decisions, and investors should ensure the preceding information is carefully considered when reviewing forward-looking statements contained herein. Intact and management have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.