These materials are important and require your immediate attention. They require shareholders of First National Financial Corporation to make important decisions. If you are in doubt about how to make such decisions, please contact your financial, legal, tax or other professional advisors. If you are a shareholder of First National Financial Corporation and require assistance with the procedure for voting, including to complete your form of proxy or voting instruction form, please contact Laurel Hill Advisory Group at 1-877-452-7184 (toll-free in North America) or at 1-416-304-0211 (outside of North America) or by e-mail at assistance@laurelhill.com. Questions on how to complete the letter of transmittal should be directed to First National Financial Corporation's depositary, Computershare Investor Services Inc., at 1-800-564-6253 (toll-free within North America) or at 1-514-982-7555 (outside of North America) or by e-mail at corporateactions@computershare.com.

FIRST NATIONAL
FINANCIAL CORPORATION

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

to be held virtually on September 30, 2025 at 10:30 a.m. (Toronto time)

AND

MANAGEMENT INFORMATION CIRCULAR

with respect to an arrangement involving, among others,

FIRST NATIONAL FINANCIAL CORPORATION

- and -

REGAL BIDCO INC.

The Board of Directors (excluding Conflicted Directors), acting on the unanimous recommendation of the Special Committee, unanimously recommends that the Shareholders vote

IN FAVOUR

of the Arrangement Resolution

August 27, 2025

First National Financial Corporation

Letter to Shareholders and Company Noteholders

August 27, 2025

Dear Shareholders and Company Noteholders:

The board of directors of First National Financial Corporation (the "**Company**") would like to inform you that a special meeting of holders (the "**Shareholders**") of common shares (the "**Common Shares**") in the capital of the Company will be held virtually on September 30, 2025 at 10:30 a.m. (Toronto time) (the "**Meeting**") at https://meetnow.global/MSWP6AX.

The Arrangement

At the Meeting, the Shareholders will be asked to consider and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set out in Appendix "A" of the accompanying management information circular (the "**Circular**"), approving a statutory plan of arrangement under section 182 of the *Business Corporations Act* (Ontario) (the "**Arrangement**") involving, among others, the Company and Regal Bidco Inc. (the "**Purchaser**"), a newly-formed acquisition vehicle controlled by private equity funds managed by Birch Hill Equity Partners Management Inc. ("**Birch Hill**") and private equity funds managed by Brookfield Asset Management ("**Brookfield**"), pursuant to which the Purchaser will acquire all of the issued and outstanding Common Shares (other than the Rollover Shares (as such term is defined below)) at a price of $48.00 in cash per Common Share (the "**Consideration**"), subject to the terms and conditions of the arrangement agreement dated as of July 27, 2025 between the Purchaser and the Company (the "**Arrangement Agreement**").

As part of the Arrangement, the Company's founders, Stephen Smith and Moray Tawse (the "**Founders**" and, together with their associates and affiliates, the "**Rollover Shareholders**"), who currently hold approximately 37.4% and 34.0%, respectively, of the outstanding Common Shares, have agreed to sell approximately two-thirds of their current shareholdings in the Company for the same cash Consideration as other Shareholders, and have agreed to exchange their remaining Common Shares (the "**Rollover Shares**") for indirect ownership interests in the Purchaser at the same value per Rollover Share as the Consideration payable under the Arrangement. As a result, on closing of the Arrangement, Messrs. Smith and Tawse are each expected to maintain an indirect approximate 19% interest in the Company, with Birch Hill and Brookfield holding the remaining approximate 62% interest.

In addition, the Company's 2.961% Series 3 Senior Unsecured Notes due November 17, 2025, 7.293% Series 4 Senior Unsecured Notes due September 8, 2026 and 6.261% Series 5 Senior Unsecured Notes due November 1, 2027 (collectively, the "**Company Notes**") will be redeemed on the closing of the Arrangement to the extent outstanding at such time. Each holder of Company Notes outstanding at such time will receive a cash amount equal to the applicable redemption price, plus accrued and unpaid interest, as of the Effective Date (as such term is defined in the Circular) in accordance with the terms of such holder's Company Notes.

The Company's Class A Preference Shares, Series 1 and Class A Preference Shares, Series 2 (together, the "**Preferred Shares**") are not being arranged in connection with the Arrangement and will remain outstanding obligations of the Company following closing of the Arrangement in accordance with their terms. The Preferred Shares will continue to be listed on the TSX and, as a result, the Company will continue to be a reporting issuer under applicable Canadian securities laws following closing of the Arrangement.

Special Committee and Board Recommendation

The Arrangement is the result of a robust strategic review process and extensive arm's length negotiations among representatives of the Company, the Founders, Birch Hill and Brookfield with the oversight and participation of a special committee of the board of directors of the Company (the "**Board**") comprised solely of independent directors of the Company, being Robert Mitchell, Martine Irman and Duncan N.R. Jackman (the "**Special Committee**"), advised by independent and highly qualified legal and financial advisors. The strategic review process involved a competitive process in which multiple acquisition proposals were received and reviewed by the Special Committee. The Special Committee reviewed and considered the terms of the Arrangement and received independent financial and legal advice, including obtaining a fairness opinion and an independent valuation of the Common Shares. Following this process, and after careful consideration, the Special Committee unanimously recommended that the Board approve the Arrangement and recommend that the Shareholders vote **IN FAVOUR** of the Arrangement Resolution at the Meeting.

The Board, with Stephen Smith and Moray Tawse having recused themselves (the "**Unconflicted Company Board**"), after receiving legal and financial advice and the unanimous recommendation of the Special Committee, unanimously determined that the Arrangement is in the best interests of the Company and that the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair to such Shareholders.

Accordingly, the Unconflicted Company Board unanimously recommends that the Shareholders vote IN FAVOUR of the Arrangement Resolution at the Meeting.

Reasons for the Recommendation

In reaching their conclusion that the Arrangement is in the best interests of the Company and that the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair to such Shareholders, the Special Committee, with the assistance of its independent financial and legal advisors, and the Unconflicted Company Board, with the assistance of its financial and legal advisors, carefully reviewed and relied on a number of factors in making their determinations and recommendations, including, among others, the following:

- *All Cash Consideration, Compelling Value and Immediate Liquidity to Shareholders*. The Consideration is all cash, which will provide Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) with certainty of value and immediate liquidity that enables them to realize significant value for their interest in the Company without having to assume long-term business and execution risk (and without incurring brokerage and other costs typically associated with market sales). The Consideration represents a premium of approximately 15.2% and 22.8% to the 30 and 90-trading day volume weighted average trading price, respectively, per Common Share as of July 25, 2025. The Consideration is also above the 52-week high closing price of the Common Shares as of that date.

- *Market Check*. The Arrangement is the result of a comprehensive and robust strategic review process led by the Company's financial advisor, RBC, which included outreach to a broad pool of potential buyers and resulted in multiple acquisition proposals, of which the proposal submitted by the Purchaser offered the highest value to Shareholders.

- *Formal Valuation*. BMO Capital Markets, the independent valuator retained by the Special Committee, delivered a formal valuation of the Common Shares in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"), concluding that, as of July 27, 2025, and based upon BMO Capital Markets' analysis and subject to the assumptions, limitations and qualifications set forth in BMO Capital Markets' written valuation (the full text of which is included in Appendix "E" of the Circular), the fair market value of the Common Shares is in the range of $44.00 to $50.00 per Common Share. The Consideration being offered to Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) under the Arrangement is in the upper half of BMO Capital Markets' valuation range.

- *Fairness Opinion*. The Special Committee and the Unconflicted Company Board received an opinion from BMO Capital Markets (the full text of which is included in Appendix "E" of the Circular) that, as of July 27, 2025, and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to such Shareholders.

A full description of the information and factors considered by the Special Committee and the Unconflicted Company Board is located in the Circular under the heading "*The Arrangement – Reasons for the Recommendation*".

Voting Agreements

Each of the Founders entered into an irrevocable voting agreement dated July 27, 2025 (each, a "**Founder Voting Agreement**") with the Purchaser to vote all of the Common Shares owned, directly or indirectly, or controlled by, such Founder in favour of the Arrangement and against any competing acquisition proposals. The Founder Voting Agreements restrict the ability of the Founders to vote for, support or participate in a competing transaction for as long as the Arrangement Agreement is in force and for a period of four months following the termination of the Arrangement Agreement in certain circumstances, including as a result of the failure to obtain

the required Shareholder approval. In aggregate, as of the Record Date (as defined below), 42,813,710 Common Shares are subject to the Founder Voting Agreements, representing approximately 71.4% of the issued and outstanding Common Shares.

In addition, each of the directors and executive officers of the Company (other than Messrs. Smith and Tawse), who collectively hold less than 1% of the Common Shares, have entered into customary voting agreements pursuant to which they have agreed, subject to the terms thereof, to vote all of their Common Shares in favour of the Arrangement at the Meeting.

Approval Requirements

The Board has set the close of business on August 21, 2025 (the "**Record Date**") as the record date for determining the Shareholders who are entitled to receive notice of, and to vote at, the Meeting. Only persons shown on the register of Shareholders at the close of business on the Record Date, or their duly appointed proxyholders, will be entitled to attend the Meeting and vote on the Arrangement Resolution.

Pursuant to the interim order of the Ontario Superior Court of Justice (Commercial List) dated August 27, 2025, as the same may be amended, modified or varied, and MI 61-101, the Arrangement Resolution will require the affirmative vote of:

- at least two-thirds (66 $^{2}/_{3}$%) of the votes cast by Shareholders (including the Rollover Shareholders) present or represented by proxy and entitled to vote at the Meeting; and

- a simple majority (more than 50%) of the votes cast by Shareholders present or represented by proxy and entitled to vote at the Meeting, other than the Rollover Shareholders and any other person required to be excluded from such vote in the context of a "business combination" under MI 61-101.

Holders of Company Notes ("**Company Noteholders**") are not being asked to vote on the Arrangement, but the accompanying Circular contains important information about the Arrangement, including the treatment of the Company Notes and the consideration Company Noteholders will receive pursuant to the Arrangement. Further details regarding the treatment of the Company Notes can be found in the Circular under the heading "*The Arrangement – Treatment of the Company Notes*".

The Arrangement is subject to customary closing conditions for a transaction of this nature, including court and Shareholder approval and approval under the *Competition Act* (Canada). If the necessary approvals are obtained and the other conditions to closing are satisfied or waived, it is anticipated that the Arrangement will be completed in the fourth quarter of 2025, and that Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) will receive payment for their Common Shares shortly after closing of the Arrangement, provided that Computershare Investor Services Inc. (the "**Depositary**") receives a duly completed letter of transmittal, together with any other documents reasonably required by the Depositary.

Shareholders should review the accompanying notice of special meeting and the Circular, which describes, among other things, the background to the Arrangement as well as the reasons for the determinations and recommendations of the Special Committee and the Unconflicted Company

Board. The Circular contains a detailed description of the Arrangement and additional information to assist you in considering how to vote at the Meeting. **You are urged to read this information carefully and, if you require assistance, you are urged to consult your financial, legal, tax or other professional advisors.**

Shareholders are encouraged to vote in advance of the Meeting. If you are a registered holder of Common Shares (a "**Registered Shareholder**"), whether or not you plan to attend the Meeting, to vote your Common Shares at the Meeting, you can either return a duly completed and executed form of proxy to Computershare Investor Services Inc. ("**Computershare**") by mail to 320 Bay Street, 14th Floor, Toronto, Ontario, M5H 4A6, or vote by internet or phone in accordance with the enclosed instructions or the instructions included with the form of proxy, in each case by no later than 10:30 a.m. (Toronto time) on September 26, 2025, or, in the case of any adjournment(s) or postponement(s) of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) prior to the commencement of such meeting. If you hold your Common Shares through a broker, investment dealer, bank, trust company or other intermediary (a "**Beneficial Shareholder**"), you should follow the instructions provided by your intermediary to ensure your vote is counted at the Meeting.

If the Arrangement is approved and completed, before you can be paid for your Common Shares or Company Notes, the Depositary will need to receive a letter of transmittal completed by you, if you are a Registered Shareholder or registered Company Noteholder (a "**Registered Noteholder**"), or your intermediary, if you are a Beneficial Shareholder or you hold Company Notes beneficially through an intermediary (a "**Beneficial Noteholder**"). Registered Shareholders and Registered Noteholders must complete, sign, date and return the enclosed letter of transmittal. Beneficial Shareholders and Beneficial Noteholders must ensure that the applicable intermediary completes the necessary transmittal documents to ensure that they receive payment for their Common Shares or Company Notes, as applicable, if the Arrangement is completed.

TO BE COUNTED PROXIES MUST BE RECEIVED BY COMPUTERSHARE NO LATER THAN
10:30 A.M. (TORONTO TIME) ON SEPTEMBER 26, 2025.

The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at the Chair's discretion without notice.

If you have any questions about the information contained in the Circular or require assistance in completing your proxy, please contact Laurel Hill Advisory Group at 1-877-452-7184 (toll-free in North America) or at 1-416-304-0211 (outside of North America) or by e-mail at assistance@laurelhill.com.

Your vote is important regardless of the number of Common Shares you own. If you are unable to attend the Meeting virtually, we encourage you to take the time now to complete, sign, date and return the enclosed proxy or voting instruction form, as applicable, so that your Common Shares can be voted at the Meeting in accordance with your instructions.

If you are a Registered Shareholder or Registered Noteholder, we also encourage you to complete, sign, date and return the enclosed letter of transmittal together with the certificates representing

your Common Shares or Company Notes, as applicable, which will help the Company arrange for the prompt payment if the Arrangement is completed.

On behalf of the Board, we would like to take this opportunity to thank you for the support that you have shown as securityholders of the Company.

(Signed) "Robert Mitchell"
Robert Mitchell
Lead Independent Director & Chair of the Special Committee

First National Financial Corporation

Notice of Special Meeting of Shareholders

NOTICE IS HEREBY GIVEN that, in accordance with an interim order of the Ontario Superior Court of Justice (Commercial List) dated August 27, 2025 (the "**Interim Order**"), a special meeting (the "**Meeting**") of holders ("**Shareholders**") of common shares (the "**Common Shares**") in the capital of First National Financial Corporation ("**First National**" or the "**Company**") will be held virtually on September 30, 2025, at 10:30 a.m. (Toronto time) at https://meetnow.global/MSWP6AX for the following purposes:

1. to consider, and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is outlined in Appendix "A" of the accompanying management information circular (the "**Circular**"), approving a proposed plan of arrangement involving, among others, the Company and Regal Bidco Inc. (the "**Purchaser**"), a newly-formed acquisition vehicle controlled by private equity funds managed by Birch Hill Equity Partners Management Inc. and private equity funds managed by Brookfield Asset Management (the "**Arrangement**") pursuant to section 182 of the *Business Corporations Act* (Ontario) (the "**OBCA**"), the whole as described in the Circular; and

2. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

In order to enable as many Shareholders as possible to participate in the Meeting, the Company will hold the Meeting as a virtual-only shareholders meeting with the opportunity for attendees to participate electronically. Registered holders of Common Shares ("**Registered Shareholders**") and duly appointed proxyholders will be able to attend, submit questions and vote at the Meeting online. If you hold your Common Shares through a broker, investment dealer, bank, trust company or other intermediary (a "**Beneficial Shareholder**") and you have not duly appointed yourself as proxyholder, you will be able to attend the Meeting as a guest, but will not be able to vote or ask questions at the Meeting.

Specific details of the matters to be put before the Meeting, as identified above, are set forth in the Circular that accompanies and is deemed to form part of this Notice of Special Meeting of Shareholders.

The Circular and the enclosed form of proxy ("**Proxy**") or voting instruction form include additional information regarding the matters to be dealt with at the Meeting. **Shareholders are**

reminded to review the meeting materials prior to voting. Shareholders with questions or who need assistance in voting may contact the Company's proxy solicitation agent, Laurel Hill Advisory Group, at 1-877-452-7184 (toll-free in North America) or at 1-416-304-0211 (outside of North America) or by e-mail at assistance@laurelhill.com.

If you are not able to attend the Meeting virtually, please exercise your right to vote so that as large a representation of Shareholders as possible will be present at the Meeting:

- If you are a Beneficial Shareholder and have received this notice from your broker or another intermediary, please complete and return the form of proxy, voting information form or other authorization form provided to you by your broker or other intermediary in accordance with the instructions provided to you.

- If you are a Registered Shareholder please complete, date, sign and deposit the enclosed Proxy with Computershare Investor Services Inc. ("**Computershare**"), 320 Bay Street, 14th Floor, Toronto, ON M5H 4A6, not later than 10:30 a.m. (Toronto time) on September 26, 2025, or forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the time of the holding of any adjourned or postponed Meeting.

Late Proxies may be accepted or rejected by the Chair of the Meeting at the Chair's discretion, subject to the terms of the arrangement agreement dated July 27, 2025 among the Purchaser and the Company, and the Chair of the Meeting is under no obligation to accept or reject any particular late Proxy.

The board of directors of the Company has fixed the close of business on August 21, 2025 as the record date for the determination of the Shareholders entitled to receive notice of and vote at the Meeting or any adjournment(s) or postponement(s) thereof. Unless specified otherwise, all information contained herein is as of August 27, 2025. Any adjourned or postponed meeting resulting from an adjournment or postponement of the Meeting will be held at a time and place to be specified either by the Company before the Meeting or at the Chair's discretion at the Meeting.

The persons named in the Proxy are representatives of the Company. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** either by inserting such person's name in the blank space provided in the form of Proxy or by completing another proper form of Proxy and, in either case, depositing the completed Proxy at the office of the transfer agent indicated on the enclosed envelope not later than 10:30 a.m. (Toronto time) on September 26, 2025, or forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the time of holding of any adjourned or postponed Meeting.

A Proxy given pursuant to this solicitation may be revoked by timely voting again, or by depositing an instrument in writing, including another Proxy bearing a later date, executed by the Shareholder or by his or her attorney authorized in writing, and deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment or postponement thereof, at which the Proxy is to be used, or by transmitting, by telephone or electronic means in compliance with the requirements above and signed with an

electronic signature provided that the means of electronic signature permits a reliable determination of the document's creator, or in any other manner permitted by law.

Accompanying this Notice of Meeting is the Circular, the Proxy and a letter of transmittal (for Registered Shareholders).

Pursuant to the Interim Order, Registered Shareholders have been granted the right to dissent in respect of the Arrangement and, if the Arrangement becomes effective, to be paid an amount equal to the fair value of their Common Shares. This dissent right, and the procedures for its exercise, are described in the Circular under "*Dissenting Shareholders' Rights*". Failure to comply strictly with the dissent procedures described in this Circular will result in the loss or unavailability of any right to dissent. Beneficial Shareholders who wish to dissent should be aware that only Registered Shareholders are entitled to dissent. Accordingly, a Beneficial Shareholder desiring to exercise this right must make arrangements for the Common Shares beneficially owned by such Shareholder to be registered in the Shareholder's name prior to the time the written objection to the Arrangement Resolution is required to be received by the Company or, alternatively, make arrangements for the registered holder of such Common Shares to exercise such right to dissent on such Shareholder's behalf. It is strongly suggested that any Shareholder wishing to dissent seek independent legal advice, as the failure to comply strictly with the provisions of the OBCA, as modified by the Interim Order, the Final Order (as such term is defined in the Circular) and the Plan of Arrangement (as such term is defined in the Circular), may prejudice such Shareholder's right to dissent.

DATED at Toronto this 27th day of August, 2025.

By Order of the Board of Directors

(Signed) "Robert Mitchell"
Robert Mitchell
Lead Independent Director & Chair of the Special Committee

FIRST NATIONAL FINANCIAL CORPORATION

MANAGEMENT INFORMATION CIRCULAR

Dated August 27, 2025

SOLICITATION OF PROXIES

THIS MANAGEMENT INFORMATION CIRCULAR (THIS "CIRCULAR") IS FURNISHED IN CONNECTION WITH THE SOLICITATION OF PROXIES BY THE MANAGEMENT OF FIRST NATIONAL FINANCIAL CORPORATION ("WE", "US", "OUR", "FIRST NATIONAL" OR THE "COMPANY") (AND OF VOTING INSTRUCTIONS IN THE CASE OF BENEFICIAL SHAREHOLDERS) FOR USE AT THE SPECIAL MEETING OF HOLDERS ("SHAREHOLDERS") OF COMMON SHARES (THE "COMMON SHARES") OF THE COMPANY (THE "MEETING") TO BE HELD AT THE TIME AND PLACE AND FOR THE PURPOSES SET FORTH IN THE ENCLOSED NOTICE OF SPECIAL MEETING OF SHAREHOLDERS (THE "NOTICE OF SPECIAL MEETING"). It is expected that the solicitation of proxies will be primarily by mail, but proxies (and voting instructions in the case of Beneficial Shareholders) may also be solicited personally or by telephone by employees of the Company. The Company has retained Laurel Hill Advisory Group as its proxy solicitation agent for assistance in connection with the solicitation of proxies for the Meeting. Other than in respect of the fees of the proxy solicitation agent, which are expected to be up to $140,000 and will be borne by the Purchaser, the total cost of the solicitation of proxies (and voting instructions in the case of Beneficial Shareholders) will be borne by the Company.

This Circular and the form of proxy (or voting instruction form) for the Common Shares provide additional information concerning the matters to be dealt with at the Meeting. **You should access and review all information contained in this Circular and form of proxy (or voting instruction form) before voting.**

All capitalized terms used in this Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*". In this Circular, unless there is something in the subject matter or context inconsistent therewith, words importing the singular number only (including defined terms) include the plural.

The information contained herein is given as of August 27, 2025, except as otherwise stated. Unless otherwise indicated, all amounts in this Circular are expressed in Canadian dollars.

CAUTIONARY STATEMENTS

We have not authorized any person to give any information or make any representation regarding the Arrangement or any other matters to be considered at the Meeting other than those contained in this Circular. If any such information or representation is given or made to you, you should not rely on it as being authorized or accurate.

This Circular does not constitute an offer to buy, or a solicitation of an offer to sell, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation

is not authorized or in which the person making such an offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation. The delivery of this Circular will not, under any circumstances, create any implication or be treated as a representation that there has been no change in the information set out herein since the date of this Circular.

Proxies will be solicited primarily by mail or by any other means that management of the Company may deem necessary. The Company may also reimburse brokers and other persons holding Common Shares in their name, or in the name of nominees for their costs incurred in sending proxy materials to their principals to obtain their proxies. The fees of the proxy solicitation agent will be borne by the Purchaser.

Shareholders should not construe the contents of this Circular as legal, tax or financial advice and are urged to consult with their own legal, tax, financial or other professional advisors.

The information contained in this Circular concerning the Purchaser and the Sponsors, including such information under "*Information Concerning the Purchaser and the Sponsors*", has been provided by the Purchaser and/or the Sponsors for inclusion in this Circular. Although the Company has no knowledge that any statement contained herein taken from, or based on, such information and records or information provided by the Purchaser or the Sponsors are inaccurate or incomplete, the Company assumes no responsibility for the accuracy of the information contained in such documents, records or information or for any failure by the Purchaser or the Sponsors to disclose events that may have occurred or may affect the significance or accuracy of any such information but which are unknown to the Company.

All summaries of, and references to, the Plan of Arrangement, the Arrangement Agreement and the Voting Agreements (including the Founder Voting Agreements) in this Circular are qualified in their entirety by the complete text of the Plan of Arrangement, the Arrangement Agreement and the Voting Agreements (including the Founder Voting Agreements). The Plan of Arrangement is attached as Appendix "B" to this Circular. Copies of the Arrangement Agreement and the Voting Agreements (including the Founder Voting Agreements) are available under the Company's profile on SEDAR+ at www.sedarplus.ca. **You are urged to read the full text of each of the Plan of Arrangement, the Arrangement Agreement and the Voting Agreements (including the Founder Voting Agreements) carefully.**

THE ARRANGEMENT HAS NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY, NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF THIS ARRANGEMENT OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

FORWARD-LOOKING INFORMATION

Included in this Circular is certain "forward-looking information", within the meaning of Securities Laws. Such forward-looking information reflects management's current beliefs and is based on information currently available to management of the Company and a number of

assumptions that management believed were reasonable on the day such forward-looking information was presented. Refer, in particular, to the sections of the Company's management discussion and analysis as at and for the year ended December 31, 2024 (the "**Annual MD&A**") entitled "*Vision and Strategy*", "*Forward-Looking Information*" and "*Outlook*", for a discussion of certain assumptions management has made in presenting forward-looking information. In some cases, forward-looking information can be identified by terminology such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "estimate", "predict", "potential", "continue" or the negative of these terms or other similar expressions concerning matters that are not historical facts. Forward-looking statements include any statements that refer to expectations, projections or other characterizations of future events and circumstances, including, among other things, statements with respect to the Arrangement, including statements with respect to the rationale of the Special Committee and the Board for entering into the Arrangement Agreement, the terms and conditions of the Arrangement Agreement, the premium to be received by Shareholders, the expected benefits of the Arrangement, the intention to continue to pay monthly dividends on the Common Shares and regular quarterly dividends on the Preferred Shares, the anticipated timing and the various steps to be completed in connection with the Arrangement, including receipt of Shareholder, Court and Regulatory Approvals, including the Competition Act Approval, the anticipated timing for closing of the Arrangement, the anticipated delisting of the Common Shares from the TSX, the anticipated treatment of the Preferred Shares and the Company Notes and the Company's status as a reporting issuer under applicable securities laws. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information.

Such forward-looking information is subject to a number of risks and uncertainties, many of which are beyond the Company's control, which could cause actual results to differ materially from those that are disclosed in or implied by such forward-looking information, and undue reliance should not be placed on such information. These risks and uncertainties include, but are not limited to, the failure of the Parties to obtain the necessary Shareholder or Court approvals or to otherwise satisfy the conditions to the completion of the Arrangement; failure of the Parties to obtain such approvals or satisfy such conditions in a timely manner; significant transaction costs or unknown liabilities; failure to realize the expected benefits of the Arrangement; general economic conditions; and other risks and uncertainties identified under "*Risk Factors*". Failure to obtain the necessary Shareholder or Court approvals, or the failure of the Parties to otherwise satisfy the conditions to the completion of the Arrangement or to complete the Arrangement, may result in the Arrangement not being completed on the proposed terms, or at all. In addition, if the Arrangement is not completed, there are risks that the announcement of the Arrangement and the dedication of substantial resources of the Company to the completion of the Arrangement could have an impact on its business and strategic relationships (including with future and prospective employees, customers, suppliers and partners), operating results and activities in general, and could have a material adverse effect on its current and future operations, financial condition and prospects. Consequently, all of the forward-looking information contained in this Circular is qualified by the foregoing cautionary statements, and there can be no guarantee that the results or developments that the Company anticipates will be realized or, even if substantially realized, that they will have the expected consequences or effects on the Company's business, financial condition or results of operation.

The foregoing list is not exhaustive of the factors that may affect any of the forward-looking information of First National. The risks and uncertainties that could affect forward-looking information are described further under "*Risk Factors*". In evaluating this forward-looking information, investors should specifically consider various factors, including the risks outlined under "*Risk Factors*" of the Company's Annual Information Form for the year ended December 31, 2024 (the "**AIF**") and under the section entitled "*Risks and Uncertainties Affecting the Business*" in the Annual MD&A, which may cause actual events or results to differ materially from any forward-looking information. These and other risk factors that could cause actual results to differ materially from our expectations expressed in or implied by such forward-looking information are discussed throughout the AIF and in the Annual MD&A, including in the section entitled "*Risks and Uncertainties Affecting the Business*".

Although the forward-looking information contained in this Circular is based on what management of the Company considers reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management's assumptions may prove to be incorrect.

Any forward-looking information included in this Circular is made as of the date of this Circular and except as may be required by Canadian securities law, the Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

NOTICE TO SHAREHOLDERS NOT RESIDENT IN CANADA

First National is a company organized under the *Business Corporations Act* (Ontario). The solicitation of proxies involves securities of a Canadian issuer and is being effected in accordance with Securities Laws and applicable Laws in Canada. Shareholders should be aware that the requirements applicable to the Company, the Arrangement and this Circular under applicable Canadian Laws may differ from requirements under corporate and securities Laws in other jurisdictions. U.S. Shareholders should be aware that this solicitation and the Arrangement are not subject to the U.S. Securities Exchange Act of 1934, as amended, and the regulations thereunder. This Circular was neither submitted to, nor reviewed by, the United States Securities and Exchange Commission.

The enforcement of civil liabilities under the securities Laws of other jurisdictions outside Canada may be affected adversely by the fact that the Company is organized under the laws of Canada and that a majority of its directors and executive officers are residents of Canada. You may not be able to sue the Company or its directors or executive officers in a Canadian court for violations of foreign securities Laws. It may be difficult to enforce against the Company a judgment of a court outside Canada.

Shareholders who are not residents of Canada for purposes of the Tax Act should be aware that the Arrangement (including the receipt of Consideration by Shareholders) may be a taxable transaction and may have tax consequences both in Canada and in foreign jurisdictions. The foreign tax consequences for such Shareholders are not described in this Circular. Shareholders are advised to consult their tax advisors to determine the particular tax consequences to them of the transactions contemplated in this Circular.

TABLE OF CONTENTS

QUESTIONS AND ANSWERS ABOUT THE MEETING AND THE ARRANGEMENT

Your vote is important. The following are key questions that you as a Shareholder may have regarding the Arrangement to be considered at the Meeting. You are urged to carefully read this Circular and all appendices in their entirety as the information in this section does not provide all of the information that might be important to you with respect to the Arrangement. All capitalized terms used herein have the meanings ascribed to them in the "*Glossary of Terms*" starting on page 153 of this Circular.

Questions Relating to the Arrangement

Q. What am I being asked to vote on?

A. You are being asked to vote on the Arrangement Resolution, the full text of which is set out in Appendix "A" to this Circular, to approve the Arrangement, which provides for, among other things, the acquisition by the Purchaser of all of the issued and outstanding Common Shares, other than the Rollover Shares, for $48.00 in cash per Common Share by way of a Court-approved plan of arrangement pursuant to the provisions of the OBCA.

Q. What is the background and reasons for the proposed Arrangement?

A. The Arrangement is the result of a robust strategic review process and extensive arm's length negotiations among representatives of the Company, the Founders, Birch Hill and Brookfield with the oversight and participation of the Special Committee, advised by independent and highly qualified legal and financial advisors. The strategic review process involved a competitive process in which multiple acquisition proposals were received and reviewed by the Special Committee.

See "*The Arrangement – Background to the Arrangement*" for a summary of certain relevant background information that informed the deliberations of the Special Committee and the Unconflicted Company Board as well as the principal events leading up to the execution of the Arrangement Agreement and the announcement of the Arrangement.

The conclusions and recommendations of the Special Committee and the Unconflicted Company Board were based on a number of factors, including those set out under "*The Arrangement – Reasons for the Recommendation*".

Q. Does the Special Committee support the Arrangement?

A. Yes. The Special Committee reviewed and considered the terms of the Arrangement and received independent financial and legal advice, including obtaining the Formal Valuation and Fairness Opinion. Following this process, and after careful consideration and for the reasons discussed below under "*The Arrangement – Reasons for the Recommendation*", the Special Committee

unanimously recommended that the Unconflicted Company Board determine that the Arrangement is in the best interests of the Company and that the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair to such Shareholders, approve the Arrangement and recommend that Shareholders vote **IN FAVOUR** of the Arrangement Resolution at the Meeting. See "*The Arrangement – Recommendation of the Special Committee*".

Q. Does the Board support the Arrangement?

A. Yes. The Unconflicted Company Board, for the reasons discussed below under "*The Arrangement – Reasons for the Recommendation*" and after receiving legal and financial advice, including the Formal Valuation and Fairness Opinion, and the unanimous recommendation of the Special Committee, unanimously determined that the Arrangement is in the best interests of the Company and that the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair to such Shareholders. Accordingly, the Unconflicted Company Board unanimously recommends that the Shareholders vote **IN FAVOUR** of the Arrangement Resolution at the Meeting. See "*The Arrangement – Recommendation of the Unconflicted Company Board*".

Q. Who has agreed to support the Arrangement?

A. Each Founder entered into an irrevocable voting agreement with the Purchaser to vote all of the Common Shares owned, directly or indirectly, or controlled by, the Rollover Shareholder in favour of the Arrangement and against any competing acquisition proposals. The Founder Voting Agreements restrict the ability of the Rollover Shareholders to vote for, support or participate in a competing transaction for as long as the Arrangement Agreement is in force and for a period of four months following the termination of the Arrangement Agreement in certain circumstances, including as a result of the failure to obtain the Company Shareholder Approval. In aggregate, as of the Record Date, 42,813,710 Common Shares are subject to the Founder Voting Agreements, representing approximately 71.4% of the issued and outstanding Common Shares. In addition, each of the directors and executive officers of the Company (other than Messrs. Smith and Tawse), who collectively hold less than 1% of the Common Shares, have entered into customary voting agreements pursuant to which they have agreed, subject to the terms thereof, to vote all of their Common Shares in favour of the Arrangement at the Meeting. See "*The Arrangement – Voting Agreements*".

Q. What approvals are required by Shareholders at the Meeting?

A. To be effective, the Arrangement Resolution must be approved by: (i) at least two-thirds (66 $^{2}/_{3}$%) of the votes cast by Shareholders (including the Rollover Shareholders) present or represented by proxy and entitled to vote at the Meeting; and (ii) a simple majority (more than 50%) of the votes cast by Shareholders present or represented by proxy and entitled to vote at the Meeting, other than the Rollover Shareholders and any other person required to be excluded from such vote in the

context of a "business combination" under MI 61-101. See "*The Arrangement*" and "*The Arrangement – Certain Legal Matters – Securities Law Matters – Minority Approval*".

Q. What other approvals are required for the Arrangement?

A. The Arrangement requires approval by the Court under section 182 of the OBCA. Prior to the mailing of this Circular, the Company obtained the Interim Order, providing for the calling and holding of the Meeting and other procedural matters. The Company will apply to the Court for the Final Order if the Shareholders approve the Arrangement at the Meeting. The Court will consider, among other things, the procedural and substantive fairness of the Arrangement. See "*The Arrangement – Certain Legal Matters – Court Approvals*".

The completion of the arrangement is also subject to the receipt of the Competition Act Approval. See "*The Arrangement – Certain Legal Matters – Competition Act Approval*".

Q. When will the Arrangement become effective?

A. If the requisite approval of the Arrangement Resolution is obtained at the Meeting, the Arrangement is currently expected to be completed in the fourth quarter of 2025, subject to all other conditions to the Arrangement, including the receipt of Court approval and the Competition Act Approval, being satisfied or waived prior to such date. It is not possible, however, to state with certainty when the Effective Date will occur. The Arrangement will become effective on the date shown on the Certificate of Arrangement to be endorsed by the Director on the Articles of Arrangement giving effect to the Arrangement in accordance with the OBCA. See "*The Arrangement – Certain Legal Matters – Implementation of the Arrangement and Timing*".

Q. What will I receive for my Common Shares under the Arrangement? What are the other benefits of the Arrangement for Shareholders (other than the Rollover Shareholders)?

A. If the Arrangement becomes effective, it will provide Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) with certainty of value and immediate liquidity. If the Arrangement becomes effective, Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares and any Dissenting Shareholders) will be entitled to receive Consideration of $48.00 in cash per Common Share, representing a premium of approximately 15.2% and 22.8% to the 30 and 90-trading day volume weighted average trading price, respectively, as of July 25, 2025, being the last trading day prior to the announcement of the Arrangement. See "*The Arrangement – Certain Effects of the Arrangement – Benefits of the Arrangement for Shareholders other than the Rollover Shareholders*".

Q. What will the Rollover Shareholders receive for their Rollover Shares under the Arrangement? What are the other benefits of the Arrangement for the Rollover Shareholders?

A. If the Arrangement becomes effective, the Founders will each sell approximately two-thirds of their Common Shares to the Purchaser pursuant to the Arrangement for the same cash Consideration per Common Share as all other Shareholders. Additionally, each Rollover Shareholder will have exchanged all of the Rollover Shares held by it for indirect ownership interests in the Purchaser at the same value per Rollover Share as the Consideration payable under the Arrangement in accordance with the terms of a Rollover Agreement. On closing of the Arrangement, Messrs. Smith and Tawse are each expected to maintain an indirect approximate 19% interest in the Company, with Birch Hill and Brookfield holding the remaining approximate 62% interest. As such, the Rollover Shareholders will receive benefits and be subject to obligations that are different from, or in addition to, the benefits received by Shareholders generally. The primary benefits of the Arrangement to the Rollover Shareholders include the fact that the Rollover Shareholders will continue to participate in the Company's potential growth or value, if any. See "*The Arrangement – Certain Effects of the Arrangement – Benefits of the Arrangement for the Rollover Shareholders*".

Q. *What will happen to the Preferred Shares under the Arrangement?*

A. The Preferred Shares are not being arranged in connection with the Arrangement and will remain outstanding obligations of the Company following closing of the Arrangement in accordance with their terms, including that holders of Preferred Shares will continue to be entitled to regular quarterly dividends. The Preferred Shares will continue to be listed on the TSX following completion of the Arrangement and, as a result, the Company will continue to be a reporting issuer under applicable Canadian securities laws following closing of the Arrangement.

Q. *What will happen to the Company Notes under the Arrangement?*

A. Pursuant to the Plan of Arrangement, the Company Notes will be redeemed by the Company on closing of the Arrangement to the extent outstanding at such time. Each Company Noteholder will receive the Company Note Consideration, being a cash amount equal to the applicable redemption price, plus accrued and unpaid interest, up to but excluding the Effective Date in accordance with the terms of the Company Notes. See "*The Arrangement – Treatment of the Company Notes*".

Q. If I am a Registered Shareholder, how do I receive my Consideration under the Arrangement?

A. Accompanying this Circular is a form of proxy and Letter of Transmittal (for Registered Shareholders). For a Registered Shareholder (other than any Dissenting Shareholder) to receive the Consideration of $48.00 in cash per Common Share to which he, she or it, as the case may be, is entitled upon the completion of the

Arrangement, he, she or it, as the case may be, must complete, sign and return the Letter of Transmittal together with his, her or its, as the case may be, Common Share certificate(s) and/or DRS Advice, as applicable, and any other required documents and instruments to the Depositary in accordance with the procedures set out therein.

Q. If I am a Beneficial Shareholder, how do I receive my Consideration under the Arrangement?

A. If you are a Beneficial Shareholder, you will receive your payment through your account with your intermediary that holds your Common Shares on your behalf. You should contact your intermediary if you have questions about this process.

Q. If I am a Company Noteholder, how do I receive my Consideration under the Arrangement?

A. As of the date hereof, all Company Notes are registered in the name of CDS. If you hold Company Notes through a broker, investment dealer, bank, trust company or other intermediary, you will receive your payment through your account with your intermediary that holds the Company Notes on your behalf. You should contact your intermediary if you have questions about this process.

Q. What happens if I do not surrender the certificates representing my Common Shares or Company Notes in order to receive the amount payable under the Arrangement?

A. Until surrendered, each certificate that immediately prior to the Effective Time represented Common Shares (other than the Rollover Shares) or Company Notes shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in the Plan of Arrangement, less any amounts withheld pursuant to the Plan of Arrangement. Any such certificate formerly representing Common Shares or Company Notes not duly surrendered on or before the third anniversary of the Effective Time shall cease to represent a claim by or interest of any former Shareholder or Company Noteholder of any kind or nature against or in the Company or the Purchaser. On such date, all cash to which such former holder was entitled shall be deemed to have been surrendered to the Purchaser or the Company, as applicable, and shall be paid over by the Depositary to the Purchaser or the Company, as applicable. See "*Arrangement Mechanics – Certificates and Payment*".

Q. What will happen to the Company if the Arrangement is completed?

A. If the Arrangement becomes effective, former Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) will be entitled to receive the Consideration in exchange for their Common Shares and former Company Noteholders will be entitled to receive the Company Note Consideration. The only

Shareholder of the Company on completion of the Arrangement will be the Purchaser and, indirectly, Birch Hill, Brookfield and the Rollover Shareholders, and there will be no public market for the Common Shares. All of the Company Notes will be redeemed on completion of the Arrangement, to the extent outstanding at such time. The Preferred Shares will remain outstanding and will continue to be listed on the TSX and, as a result, the Company will continue to be a reporting issuer under applicable Canadian securities laws.

Q. What will happen if the Arrangement Resolution is not passed or the Arrangement is not completed for any reason?

A. If the Arrangement Resolution is not passed or the Arrangement is not completed for any reason, including due to the occurrence of the Outside Date, the Arrangement Agreement may be terminated and Shareholders and Company Noteholders will not receive any payment for any of their Common Shares or Company Notes. If this occurs, the Company will continue as a publicly traded entity and continue to pursue its business plan on a stand-alone basis. Failure to complete the Arrangement could have an adverse effect on the price of the Common Shares or on the Company's operations, financial condition or prospects. See "*Risk Factors*". Furthermore, pursuant to the terms of the Arrangement Agreement, if the Arrangement Agreement is terminated, the Company may, in certain circumstances, be required to pay the Termination Fee to the Purchaser and the Purchaser may, in certain circumstances, be required to pay the Reverse Termination Fee to the Company. Additionally, Shareholders will bear the risk of any possible decrease in the future growth or value of the Company and the risks related to the Company's business.

Q. Are there risks associated with the Arrangement?

A. In evaluating the Arrangement, Shareholders should consider the risks relating to the Arrangement. Some of these risks include, but are not limited to: (i) obtaining the Company Shareholder Approval; (ii) the Arrangement Agreement may be terminated in certain circumstances, including in the event of a Material Adverse Effect which is incapable of being cured on or prior to the Outside Date, the failure to obtain the requisite Shareholder and Court approvals or the Competition Act Approval on or prior to the Outside Date, the Arrangement becoming illegal or there is a Change in Recommendation; and (iii) there can be no certainty that all other conditions precedent to the Arrangement will be satisfied or waived. Please refer to the definition of Material Adverse Effect and related definition of CMHC Adverse Event under "*Glossary of Terms*" starting on page 153 of this Circular.

Any failure to complete the Arrangement could materially and negatively impact the trading price of the Common Shares and the Company's operations, financial condition or prospects. You should carefully consider the risk factors described under "*Risk Factors*" in evaluating the approval of the Arrangement Resolution. Readers are cautioned that such risk factors are not exhaustive.

Q. Is the Termination Fee payable if the Arrangement Resolution is not approved by Shareholders?

A. Pursuant to the Arrangement Agreement, the Company has agreed to pay the Termination Fee in the amount of $50,000,000 to the Purchaser in certain circumstances, including (i) if the Arrangement Resolution is not approved by Shareholders and certain other conditions are satisfied, including that there has been a Change in Recommendation prior to the Meeting or certain alternative transactions are completed within 12 months following termination, or (ii) if the Purchaser terminates the Arrangement Agreement following a Change in Recommendation or breach by the Company of its non-solicitation covenants under the Arrangement Agreement in any material respect.

Q. What are the Canadian federal income tax consequences of the Arrangement?

A. Subject to the discussion in "*Certain Canadian Federal Income Tax Considerations*", a Shareholder who is, or is deemed to be, resident in Canada, holds the Common Shares as "capital property", and who sells such Common Shares to the Purchaser pursuant to the Arrangement will realize a capital gain (or a capital loss) to the extent that such Shareholder's proceeds of disposition, net of any reasonable costs of disposition, exceed (or are less than) the aggregate adjusted cost base to such Shareholder of his, her or its Common Shares.

Shareholders who are not residents of Canada for purposes of the Tax Act and whose Common Shares do not constitute "taxable Canadian property" (as defined in the Tax Act) to such Shareholders will generally not be subject to tax under the Tax Act on the disposition of their Common Shares under the Arrangement.

The foregoing description of Canadian federal income tax consequences of the Arrangement is only a brief summary of certain material Canadian federal income tax considerations. Shareholders should read carefully the information in this Circular under "*Certain Canadian Federal Income Tax Considerations*", which qualifies the summary set forth above. Neither this description nor the longer discussion is, or is intended to be, or should be construed to be, legal or tax advice to any particular Shareholder. Shareholders are urged to consult their own tax advisors to determine the particular tax consequences to them of the Arrangement.

Questions Relating to the Meeting

Q. Why did I receive this Circular?

A. You received this Circular because you are a Shareholder or a Company Noteholder. Shareholders are being asked at the Meeting to vote on the Arrangement Resolution, the full text of which is set out in Appendix "A" to this Circular, to approve the Arrangement involving, among others, the Company and the Purchaser, pursuant to section 182 of the OBCA. While Company Noteholders are not being asked to vote on the Arrangement Resolution, the Circular contains

important information about the Arrangement, including the treatment of the Company Notes under the Arrangement and the Company Note Consideration. Notwithstanding the terms of the Company Notes Indenture, the Company intends to rely on the delivery of the Circular as notice to the Company Noteholders that the Company Notes will be redeemed as part of the Arrangement on the effective date thereof.

Q. Where and when will the Meeting be held?

A. The Meeting will be held virtually on September 30, 2025, at 10:30 a.m. (Toronto time) at https://meetnow.global/MSWP6AX. See "*Information Concerning the Meeting and Voting – Date, Time and Place of the Meeting*".

Q. Am I entitled to vote?

A. You are entitled to vote if you were a Shareholder as of the close of business on the Record Date, being August 21, 2025. Each Shareholder is entitled to one (1) vote for each Common Share registered in his, her or its, as the case may be, name with respect to the matters to be voted on at the Meeting. Company Noteholders are not entitled to vote at the Meeting.

Q. What are Shareholders being asked to vote on at the Meeting?

A. At the Meeting, pursuant to the Interim Order, the Shareholders will be asked to consider and, if thought advisable, pass the Arrangement Resolution to approve the Arrangement, the full text of which is set out in Appendix "A" to this Circular. The Arrangement provides for, among other things, the acquisition by the Purchaser of all of the issued and outstanding Common Shares by way of a court-approved statutory plan of arrangement under section 182 of the OBCA. Pursuant to the Arrangement Agreement and the Plan of Arrangement, if the Arrangement becomes effective, each Shareholder (except for the Rollover Shareholders in respect of the Rollover Shares and any Dissenting Shareholders) will be entitled to receive $48.00 in cash per Common Share.

Q. What constitutes quorum for the Meeting?

A. Pursuant to the Company's by-laws, a quorum is present at the Meeting if the holders of not less than 10% of the shares entitled to vote at the Meeting are present at the Meeting or represented by proxy, irrespective of the number of persons present at the Meeting.

Q. How many Common Shares are entitled to be voted?

A. As at the Record Date of August 21, 2025, there were 59,967,429 Common Shares issued and outstanding. Each Shareholder is entitled to one (1) vote for each Common Share registered in his, her or its, as the case may be, name with respect to the matters to be voted on at the Meeting.

Q. What if I acquire ownership of Common Shares after the Record Date?

A. You will not be entitled to vote Common Shares acquired after the Record Date on the Arrangement Resolution. Only persons owning Common Shares as of the Record Date of August 21, 2025 are entitled to vote their Common Shares on the Arrangement Resolution.

Q. What do I need to do now in order to vote on the Arrangement Resolution?

A. Shareholders may vote by proxy before the Meeting or vote at the Meeting, as described below:

- Voting by proxy before the Meeting. You may vote before the Meeting by completing your form of proxy or voting instruction form in accordance with the instructions provided therein. Beneficial Shareholders should also carefully follow all instructions provided by their intermediaries to ensure that their shares are voted at the Meeting. Registered Shareholders and Beneficial Shareholders may vote their Common Shares before the meeting using the following methods:

VOTING METHOD	BENEFICIAL SHAREHOLDERS *Common Shares held with a broker, bank, or other intermediary.*	REGISTERED SHAREHOLDERS *Common Shares held in own name and represented by a physical certificate or DRS.*
	Go to www.proxyvote.com. Enter the 16-digit control number printed on your voting instruction form and follow the instructions on the screen.	Go to www.investorvote.com. Enter the 15-digit control number printed on your form of proxy and follow the instructions on screen.
	Call the toll-free number listed on your Voting Instruction Form (VIF) and vote using the control number provided therein.	1-866-732-VOTE (8683)
	Complete, date and sign the voting instruction form and return it in the enclosed postage paid envelope.	Complete, date and sign the form of proxy and return it in the enclosed postage paid envelope to: *Computershare Investor Services Inc.* *320 Bay Street, 14th Floor, Toronto, ON M5H 4A6*

- The Company may use Broadridge Investor Communications Corporation's QuickVote™ service to assist eligible Beneficial Shareholders with voting their Common Shares over the telephone. Certain Beneficial Shareholders who have not objected to an intermediary disclosing their ownership information to the Company may be contacted by Laurel Hill Advisory Group, which is soliciting proxies on behalf of the management of the Company, to conveniently obtain a vote directly over the telephone.

Proxyholders named in the enclosed form of proxy will vote (or withhold from voting) the Common Shares in respect of which they are appointed as proxies in accordance with your instructions, including on any ballot that may be called. If there are changes to the items of business or new items properly come before the Meeting, or any adjournment(s) or postponement(s) thereof, a proxyholder can vote as he or she sees fit. **You can appoint someone else to be your proxy. This person does not need to be a shareholder of the Company.**

See "*Information Concerning the Meeting and Voting – Virtual Attendance and Participation in the Meeting – Appointing a Third Party as Proxy*".

- Voting at the Meeting. Registered Shareholders of the Company may vote at the Meeting by completing a ballot online during the Meeting. Without an invite code, a proxyholder will not be able to vote at the Meeting.

  If you are a Beneficial Shareholder and wish to vote at the Meeting, you have to appoint yourself as your proxy by inserting your own name in the space provided on the voting instruction form sent to you and you must follow all of the applicable instructions, including the deadline, provided by your intermediary. Beneficial Shareholders who have not duly appointed themselves as their proxy will be able to virtually attend the Meeting only as guests and to listen to the Meeting but not be able to participate, ask questions or vote at the Meeting.

  See "*Information Concerning the Meeting and Voting – Virtual Attendance and Participation in the Meeting".*

Late proxies may be accepted or rejected by the Chair of the Meeting at the Chair's discretion, subject to the terms of the Arrangement Agreement, and the Chair of the Meeting is under no obligation to accept or reject any particular late proxy.

Q. If my Common Shares are held by my broker, investment dealer or other intermediary, will they vote my Common Shares for me?

A. A broker or other intermediary will vote the Common Shares held by you only if you provide instructions to your broker or other intermediary on how to vote. Without instructions, those Common Shares may not be voted. Beneficial Shareholders who receive these materials through their broker or other intermediary should complete and send the form of proxy or voting instruction form in accordance with the instructions provided by their broker or intermediary.

Q. Who is soliciting my proxy?

A. Management of the Company is soliciting your proxy. At the request of the Purchaser, the Company has retained Laurel Hill Advisory Group as its proxy solicitation agent for assistance in connection with the solicitation of proxies for the Meeting. Management of the Company requests that you sign and return the proxy (for Registered Shareholders) or voting instruction form (for Beneficial Shareholders) so that your votes are exercised at the Meeting.

The solicitation of proxies will be primarily by mail, but proxies (and voting instructions in the case of Beneficial Shareholders) may also be solicited personally or by telephone by employees of the Company. Except as described above, the total cost of the solicitation of proxies (and voting instructions in the case of Beneficial Shareholders) will be borne by the Company and the Company will reimburse intermediaries for their reasonable charges and expenses incurred in forwarding proxy materials to Beneficial Shareholders. The Purchaser may also participate in the solicitation of proxies.

Q. Can I appoint someone other than those named in the enclosed forms of proxy to vote my Common Shares?

A. Yes. You have the right to appoint a person other than the management nominees identified in the form of proxy or voting instruction form. Beneficial Shareholders who wish to appoint themselves as proxyholder to participate or vote at the Meeting must carefully follow the instructions in this Circular and on their form of proxy or voting instruction form.

Shareholders who wish to appoint a third-party proxyholder to vote at the Meeting as their proxy and vote their shares **MUST** submit their proxy or voting instruction form (as applicable) appointing such third-party proxyholder **AND** register the third-party proxyholder. Registering your proxyholder is an additional step to be completed **AFTER** you have submitted your proxy or voting instruction form. **Failure to register the proxyholder will result in the proxyholder not receiving an invite code to virtually attend, participate or vote at the Meeting**.

If you are a Beneficial Shareholder and wish to virtually participate or vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary **AND** register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary.

See "*Information Concerning the Meeting and Voting – Virtual Attendance and Participation in the Meeting – Appointing a Third Party as Proxy*".

Q. What if my Common Shares are registered in more than one name or in the name of a company?

A. If your Common Shares are registered in more than one name, all registered persons must sign the form of proxy. If your Common Shares are registered in a company's name or any name other than your own, you may be required to provide documents proving your authorization to sign the form of proxy for that company or name. For any questions about the proper supporting documents, contact Laurel Hill Advisory Group at 1-877-452-7184 (toll-free in North America) or at 1-416-304-0211 (outside of North America) or by e mail at assistance@laurelhill.com before submitting your form of proxy.

Q. When will I receive the Consideration or Company Note Consideration payable to me under the Arrangement for my Common Shares or Company Notes?

A. If the Arrangement becomes effective and your Letter of Transmittal and Common Share and/or Company Note certificate(s) or DRS Advice(s), if applicable, and all other required documents are properly completed and received by the Depositary, you will receive the Consideration or Company Note Consideration due to you under the Arrangement as soon as practicable after the Arrangement becomes effective. The Arrangement is currently anticipated to be completed in the fourth quarter of 2025 based on the assumption that the approval of the Arrangement Resolution, Court approval and the Competition Act Approval are obtained and all other conditions to the Arrangement are satisfied or waived prior to such date.

Q. What happens if I send in my Common Share or Company Note certificate(s) and the Arrangement Resolution is not approved or the Arrangement is not completed?

A. If the Arrangement Resolution is not approved or if the Arrangement is not otherwise completed, your Common Share certificate(s) and Company Note certificate(s) will be returned promptly to you by the Depositary.

Q. Can I revoke my vote after I have voted by proxy?

A. Yes. A proxy given pursuant to this solicitation may be revoked by timely voting again, or by depositing an instrument in writing, including another proxy bearing a later date, executed by the Shareholder or by his or her attorney authorized in writing, and deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used, or in any other manner permitted by law. See "*Information Concerning the Meeting and Voting – General Proxy Information*".

Q. Who is responsible for counting and tabulating the votes by proxy?

A. Votes by proxy are counted and tabulated by Computershare Investor Services Inc., the Company's transfer agent.

Q. Are Shareholders entitled to Dissent Rights?

A. Pursuant to the Interim Order, Registered Shareholders have been granted the right to dissent in respect of the Arrangement and, if the Arrangement becomes effective, to be paid an amount equal to the fair value of their Common Shares. Failure to comply strictly with the dissent procedures described in this Circular will result in the loss or unavailability of any Dissent Rights. If you are a Shareholder and wish to dissent, you should obtain your own legal advice and carefully read the Plan of Arrangement, the Interim Order and the full text of section 185 of the OBCA, all of which are attached as Appendix "B", Appendix "C" and Appendix "D", respectively, to this Circular. See "*Dissenting Shareholders' Rights*".

Q. Who can help answer my questions?

A. If you have any questions about the information contained in this Circular or require assistance in completing your form of proxy or voting instruction form, please contact our proxy solicitor, Laurel Hill Advisory Group, at 1-877-452-7184 (toll-free in North America) or at 1-416-304-0211 (outside of North America) or by e mail at assistance@laurelhill.com. Questions on how to complete the Letter of Transmittal should be directed to the Company's depositary, Computershare Investor Services Inc., at 1-800-564-6253 (toll-free within North America) or at 1-514-982-7555 (outside of North America) or by e-mail at corporateactions@computershare.com.

SUMMARY

The following is a summary of certain information contained elsewhere in this Circular, including the Appendices thereto, and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Circular or in the Appendices hereto, all of which are important and should be reviewed carefully.

Capitalized terms used in this summary without definition have the meanings ascribed to them in the "*Glossary of Terms*" starting on page 153 of this Circular. **Shareholders are urged to read this Circular and all appendices carefully and in their entirety.**

The Meeting

The Meeting will be held virtually on September 30, 2025 at 10:30 a.m. (Toronto time) at https://meetnow.global/MSWP6AX. Shareholders, regardless of their geographic location, will have an equal opportunity to participate in the Meeting and engage with directors and management of the Company as well as with other Shareholders. Shareholders will not be able to attend the Meeting in person.

How to Attend the Meeting

The Company is holding the Meeting in an online, virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person. Attending the Meeting in an online, virtual only format enables Registered Shareholders and duly appointed proxyholders, including Beneficial Shareholders who have duly appointed themselves as their proxy, to participate in the Meeting and ask questions, all in real time. Registered Shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

In order to participate or vote at the Meeting (including for voting and asking questions at the Meeting), Shareholders must have a valid control number or invite code. Registered Shareholders and duly appointed proxyholders will be able to virtually attend, participate and vote at the Meeting online at https://meetnow.global/MSWP6AX. Such persons may then enter the Meeting by, in the case of a Registered Shareholder, clicking "Shareholder" and entering a control number or invite code, and in the case of a proxyholder, clicking "Invitation" and entering an invite code before the start of the Meeting.

- Registered Shareholders: The 15-digit control number located on the form of proxy is the control number. If, as a Registered Shareholder, you are using your control number to log in to the Meeting and you have previously voted prior to voting cut-off, you do not need to vote again at the Meeting. If you log in and accept the terms and conditions, any and all previously submitted proxies will be revoked and you may vote at the Meeting. If you do **NOT** wish to revoke any and all previously submitted proxies, do **NOT** vote during the online ballot.

- Duly appointed proxyholders: Computershare will provide the proxyholder with an invite code by e-mail after the voting deadline has passed. Only Registered Shareholders and duly appointed proxyholders will be entitled to participate and vote at the Meeting. Beneficial

Shareholders who have not duly appointed themselves as proxyholder will be able to virtually attend the Meeting only as guests and to listen to the webcast but not be able to participate, ask questions or vote at the Meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including Beneficial Shareholders who wish to appoint themselves as proxyholder to participate or vote at the Meeting) **MUST** submit their duly completed proxy or voting instruction form **AND** register the proxyholder. See "*Information Concerning the Meeting and Voting – Virtual Attendance and Participation in the Meeting – Appointing a Third Party as Proxy*".

Shareholders will be allowed to log in as early as 30 minutes before the start time of the Meeting. The virtual Meeting platform is supported across commonly used internet browsers other than Internet Explorer (e.g. Edge, Firefox, Chrome, and Safari) and devices (e.g., desktops, laptops, tablets, and cell phones). If you intend to join the live audio webcast, you should ensure that you have a strong Wi-Fi or Internet connection from wherever you intend to join and participate in the virtual Meeting. It is your responsibility to ensure connectivity for the duration of the virtual Meeting. It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. We encourage you to access the virtual Meeting before it begins, and you should give yourself plenty of time to log in and ensure that you can hear streaming audio prior to the start of the Meeting.

See "*Information Concerning the Meeting and Voting – Date, Time and Place of the Meeting*".

Asking Questions

Only Registered Shareholders and duly appointed proxyholders will be able to submit questions at the Meeting. If you would like to ask a question during the Meeting, log into the virtual Meeting at https://meetnow.global/MSWP6AX, click on the Q & A icon, type your question in the text box, and click the send button.

Questions pertinent to Meeting matters will be answered during the Meeting. Questions that are unrelated to the proposals under discussion, use blatantly offensive language or are regarding personal matters, including those related to employment, product or service issues, or suggestions for product innovations, will not be answered by the Chair or management.

Record Date

The Board has fixed the close of business on August 21, 2025 as the Record Date for the purpose of determining Shareholders entitled to receive the notice of and vote at the Meeting.

Purpose of the Meeting

The Meeting will be held for the following purposes:

1. to consider, and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution, the full text of which is attached as Appendix "A" to this Circular; and

2. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Summary of the Arrangement

The Arrangement Agreement provides for, among other things, the acquisition by the Purchaser of all of the issued and outstanding Common Shares by way of a statutory plan of arrangement under section 182 of the OBCA. Pursuant to the Arrangement Agreement and the Plan of Arrangement, each Shareholder (other than the Rollover Shareholders in respect of the Rollover Shares and any Dissenting Shareholders) will be entitled to receive $48.00 in cash for each Common Share held.

Pursuant to the Plan of Arrangement, the Company Notes will be redeemed by the Company on closing of the Arrangement to the extent outstanding at such time. Each Company Noteholder will receive the Company Note Consideration, being a cash amount equal to the applicable redemption price, plus accrued and unpaid interest, as of the Effective Date in accordance with the terms of the Company Notes.

A copy of the Plan of Arrangement is attached as Appendix "B" to this Circular.

See "*The Arrangement*".

Required Shareholder Approvals

At the Meeting, pursuant to the Interim Order, the Shareholders will be asked to consider and, if thought advisable, pass the Arrangement Resolution to approve the Arrangement. The approval of the Arrangement Resolution will require the affirmative vote of at least: (i) two-thirds (66 2/3%) of the votes cast by Shareholders present or represented by proxy and entitled to vote at the Meeting; and (ii) a simple majority (more than 50%) of the votes cast by Shareholders present or represented by proxy and entitled to vote at the Meeting, other than the Rollover Shareholders and any other person required to be excluded from such vote in the context of a "business combination" under MI 61-101 (the "**Minority Approval**").

The Rollover Shareholders beneficially own or exercise control or direction over an aggregate of 42,813,710 Common Shares, representing in the aggregate approximately 71.4% of the outstanding Common Shares, which will be excluded in determining whether Minority Approval for the Arrangement is obtained.

The full text of the Arrangement Resolution and the Plan of Arrangement are attached as Appendix "A" and Appendix "B", respectively, to this Circular.

See "*Certain Legal Matters – Securities Law Matters – Minority Approval*".

Recommendation of the Special Committee

The Special Committee reviewed and considered the terms of the Arrangement and received independent financial and legal advice, including obtaining the Formal Valuation and Fairness Opinion. Following this process, and after careful consideration and for the reasons discussed below under "*The Arrangement – Reasons for the Recommendation*", the Special Committee unanimously recommended that the Board determine that the Arrangement is in the best interests of the Company and that the Consideration to be received by the Shareholders (other than the

Rollover Shareholders) is fair to such Shareholders, approve the Arrangement and recommend that Shareholders vote **IN FAVOUR** of the Arrangement Resolution at the Meeting.

See "*The Arrangement – Recommendation of the Special Committee*".

Recommendation of the Unconflicted Company Board

The Unconflicted Company Board, for the reasons discussed below under "*The Arrangement – Reasons for the Recommendation*" and after receiving legal and financial advice, including the Formal Valuation and Fairness Opinion, and the unanimous recommendation of the Special Committee, unanimously determined that the Arrangement is in the best interests of the Company and that the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair to such Shareholders. Accordingly, the Unconflicted Company Board unanimously recommends that the Shareholders vote **IN FAVOUR** of the Arrangement Resolution at the Meeting.

See "*The Arrangement – Recommendation of the Unconflicted Company Board*".

Reasons for the Recommendation

In reaching their conclusion that the Arrangement is in the best interests of the Company and that the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair to such Shareholders, the Special Committee, with the assistance of its independent financial and legal advisors, and the Unconflicted Company Board, with the assistance of its financial and legal advisors, carefully reviewed and relied on a number of factors in making their determinations and recommendations, including, among others, the following:

- *All Cash Consideration, Compelling Value and Immediate Liquidity to Shareholders*. The Consideration is all cash, which will provide Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) with certainty of value and immediate liquidity that enables them to realize significant value for their interest in the Company without having to assume long-term business and execution risk (and without incurring brokerage and other costs typically associated with market sales). The Consideration represents a premium of approximately 15.2% and 22.8% to the 30 and 90-trading day volume weighted average trading price, respectively, per Common Share as of July 25, 2025. The Consideration is also above the 52-week high closing price of the Common Shares as of that date.

- *Market Check*. The Arrangement is the result of a comprehensive and robust strategic review process led by the Company's financial advisor, RBC, which included outreach to a broad pool of potential buyers and resulted in multiple acquisition proposals, of which the proposal submitted by the Purchaser offered the highest value to Shareholders.

- *Formal Valuation*. BMO Capital Markets, the independent valuator retained by the Special Committee, delivered a formal valuation of the Common Shares in accordance with MI 61-101, concluding that, as of July 27, 2025, and based upon BMO Capital Markets' analysis and subject to the assumptions, limitations and qualifications set forth in BMO Capital

Markets' written valuation (the full text of which is included in Appendix "E" of the Circular), the fair market value of the Common Shares is in the range of $44.00 to $50.00 per Common Share. The Consideration being offered to Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) under the Arrangement is in the upper half of BMO Capital Markets' valuation range.

- *Fairness Opinion*. The Special Committee and the Unconflicted Company Board received an opinion from BMO Capital Markets (the full text of which is included in Appendix "E" of the Circular) that, as of July 27, 2025, and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to such Shareholders.

- *Role of the Special Committee*. The Arrangement is the result of extensive arm's length negotiations among representatives of the Company, the Founders, Birch Hill and Brookfield with the oversight and participation of the Special Committee, advised by independent and highly qualified legal and financial advisors. The Special Committee had the authority to not recommend the Arrangement or any other transaction to the Unconflicted Company Board and to identify, evaluate, and make recommendations to the Board regarding any alternative transaction (including maintaining the status quo).

- *Arrangement Agreement Terms*. The terms and conditions of the Arrangement Agreement are, in the judgment of the Special Committee, following consultations with its independent legal and financial advisors, and in the judgement of the Unconflicted Company Board, following consultations with its legal and financial advisors, reasonable and were the result of extensive arm's length negotiations. In particular:

    - *Limited Conditions to Closing*. Completion of the Arrangement is subject to a limited number of conditions that the Special Committee and the Unconflicted Company Board believe are reasonable under the circumstances.

    - *Ability to Respond to Superior Proposal and make a Change in Recommendation*. Under the Arrangement Agreement, the Unconflicted Company Board, in certain circumstances before Shareholder approval is obtained, is able to consider any unsolicited acquisition proposals, and where the Unconflicted Company Board determines that an acquisition proposal is a Superior Proposal may, subject to a right to match in favour of the Purchaser, make a Change in Recommendation. However, under the Arrangement Agreement, the Company is required to proceed with holding a Shareholder vote on the Arrangement and, accordingly, will not have the ability to terminate the Arrangement Agreement prior to such vote in order to enter into an agreement in respect of a Superior Proposal, even if the Unconflicted Company Board has made a Change in Recommendation.

- *Termination Fee and Reverse Termination Fee*. The Termination Fee of $50 million is only payable by the Company in limited circumstances and the Company is entitled to the Reverse Termination Fee of $75 million in certain circumstances if the Arrangement Agreement is terminated.

- *Committed Financing*. The Arrangement is not subject to any financing condition. The Purchaser has provided the Company with evidence, including the Debt Commitment Letter and the Equity Commitment Letters from the Sponsors, that the Purchaser has arranged for fully committed financing that is not subject to unusual conditions. In addition, the Company has the ability to seek specific performance as a third-party beneficiary of the Purchaser's rights to receive funding pursuant to the Equity Commitment Letters. The Sponsors, which the Special Committee and the Unconflicted Company Board believe are creditworthy entities, have guaranteed payment of the Reverse Termination Fee if and when payable under the Arrangement Agreement.

- *Support for the Arrangement*. The Founders, being Stephen Smith and Moray Tawse, collectively hold approximately 71.4% of the outstanding Common Shares and have entered into the Founder Voting Agreements to vote all of the Common Shares owned, directly or indirectly, or controlled by, them in favour of the Arrangement. The Founders will each sell approximately two-thirds of their Common Shares to the Purchaser pursuant to the Arrangement for the same Consideration per Common Share as all other Shareholders. In addition, each of the directors and executive officers of the Company (other than Messrs. Smith and Tawse), who collectively hold less than 1% of the outstanding Common Shares, have entered into customary voting agreements pursuant to which they have agreed, subject to the terms thereof, to vote all of their Common Shares in favour of the Arrangement.

- *Other Available Alternatives*. The Special Committee and the Unconflicted Company Board believe that the Arrangement is an attractive proposition for the Shareholders relative to the status quo and other alternatives reasonably available to the Company, taking into account the current and anticipated opportunities, risks and uncertainties associated with the Company's business, affairs, operations, industry and prospects, including the execution risks associated with its standalone strategic plan, the Company's competitive position, the current and anticipated macroeconomic and political environment and the current and anticipated risks with Canadian equity, mortgage finance and real estate markets. In considering the Company's standalone strategic plan, the Special Committee and the Unconflicted Company Board concluded that the Consideration to be received by the Shareholders is more favourable to the Shareholders than the alternative of continuing to operate as a standalone public company and pursuing the Company's long-term strategic plan (taking into account the associated risks, rewards and uncertainties).

- *Payment and Declaration of Dividends*. Until the Effective Date, the Company will be permitted to and expects to continue paying its regular monthly cash dividend of $0.208334 per Common Share in a manner consistent with current practice.

- *BMO Capital Markets Compensation Arrangements*. The Special Committee and the Unconflicted Company Board considered the compensation arrangements of BMO Capital Markets, in particular that BMO Capital Markets was engaged to provide the Formal Valuation and Fairness Opinion on a fixed fee basis that was not contingent on the conclusions reached therein or the completion of the Arrangement.

- *Birch Hill's and Brookfield's Track Records*. The Purchaser is controlled by Birch Hill and Brookfield, each of which have demonstrated commitment, creditworthiness, access to financing and a consistent track record of completing transactions, all of which is indicative of their ability to complete the Arrangement, including their expected ability to arrange the requisite financings, which are subject to binding commitment letters.

- *Regulatory Approvals*. The Special Committee and the Unconflicted Company Board believe there is a strong likelihood that the transaction will receive the necessary Regulatory Approvals, including the Competition Act Approval, on terms and conditions satisfactory to the Company and the Purchaser and within the timeframe set out in the Arrangement Agreement.

- *Dissent Rights*. Registered Shareholders who do not vote their Common Shares in favour of the Arrangement are entitled to exercise Dissent Rights with respect to the Arrangement and receive "fair value" for their Common Shares as determined by the Court.

- *Other Stakeholders*. The Special Committee and the Unconflicted Company Board considered the impact of the Arrangement on all of the Company's stakeholders, including the Shareholders, Company Noteholders, holders of Preferred Shares, employees, clients and the communities in which the Company operates. In the view of the Special Committee and the Unconflicted Company Board, the terms of the Arrangement are equitable and fair to such stakeholders.

- *Court Approval*. The Arrangement will only become effective if approved by the Court, which will consider, among other things, the substantive and procedural fairness of the Arrangement. All interested persons are entitled to appear before the Court in connection with the Arrangement.

- *Shareholder Approvals Required*. The Arrangement will become effective only if it is approved by: (i) at least two-thirds (66 2/3%) of the votes cast by Shareholders (including the Rollover Shareholders) present or represented by proxy and entitled to vote at the Meeting; and (ii) a simple majority (more than 50%) of the votes cast by Shareholders present or represented by proxy and entitled to vote at the Meeting, other than the Rollover Shareholders and any other person required to be excluded from such vote in the context of a "business combination" under MI 61-101.

In the course of its deliberations, the Special Committee and the Unconflicted Company Board also identified and considered a variety of risks and potentially negative factors in connection with the Arrangement, which the Special Committee and the Unconflicted Company Board concluded

were outweighed by the positive substantive and procedural factors of the Arrangement described above, including, but not limited to:

- *Terms of Founder Voting Agreements*. The Founder Voting Agreements restrict the ability of the Founders to vote for, support or participate in a competing transaction for as long as the Arrangement Agreement is in force and for a period of four months following the termination of the Arrangement Agreement in certain circumstances, including as a result of the failure to obtain the Company Shareholder Approval. The irrevocable nature of the Founder Voting Agreements may preclude the Company from carrying out any alternative transaction on a timely basis, even if one were to become available on terms that are superior from a financial point of view to the Arrangement, as support from the Founders is required to complete any change of control transaction.

- *Prohibition on Solicitation of Additional Interest from Third Parties*. In addition to the impact of the Founder Voting Agreements on attracting additional interest from third parties, the limitations contained in the Arrangement Agreement on the Company's ability to solicit additional interest from third parties, the required parameters for an alternative transaction to qualify as a Superior Proposal, the inability of the Company to terminate the Arrangement Agreement for a Superior Proposal, the requirement for the Company to hold a Shareholder vote in respect of the Arrangement notwithstanding a Change in Recommendation by the Board, the Purchaser's right to match a Superior Proposal and the requirement to pay the Termination Fee may discourage other parties from offering to acquire the Common Shares.

- *Risk of Non-Completion*. The risks to the Company if the Arrangement is not completed in a timely manner or at all, including the costs to the Company in pursuing the Arrangement, the diversion of management's time and attention away from conducting the Company's business in the ordinary course and the potential impact on the Company's current business relationships. In the event that the Arrangement is not completed, the trading price of the Common Shares could decline significantly to levels at or below those experienced before announcement of the Arrangement.

- *Termination Rights and Termination Fee*. There are conditions to the Purchaser's obligation to complete the Arrangement and the Purchaser has the right to terminate the Arrangement Agreement under certain limited circumstances. If the Arrangement Agreement is terminated in certain circumstances, the Company may be required to pay the Termination Fee.

- *Conduct of Business*. There are restrictions imposed pursuant to the Arrangement Agreement on the conduct of the Company's business during the period between the execution of the Arrangement Agreement and the consummation of the Arrangement.

- *Regulatory Approvals*. The risks to the Company if the Competition Act Approval is not obtained on a timely basis, or at all.

- *Taxable Transaction*. The Arrangement will be a taxable transaction to Canadian-resident Shareholders and, as a result, Canadian-resident Shareholders, other than Shareholders exempt from tax or who hold their shares in non-taxable accounts, will generally be required to pay taxes on any gains that result from their receipt of the Consideration pursuant to the Arrangement. Shareholders who are residents in or otherwise subject to tax in jurisdictions other than Canada should consult their tax advisors with respect to the relevant tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions. Shareholders should read carefully the information in this Circular under "*Certain Canadian Federal Income Tax Considerations*", which provides further detail on the expected tax considerations of the Arrangement and qualifies the above.

The foregoing includes forward-looking information and readers are cautioned that actual results may vary. See "*Forward-Looking Information*" and "*Risk Factors*". The foregoing summary of the information and factors considered by the Special Committee and the Unconflicted Company Board is not intended to be exhaustive of the factors considered in reaching their conclusions and making their recommendations, but includes a summary of the material information, factors and analysis considered in reaching such conclusions and making such recommendations. The recommendations of the Special Committee and the Unconflicted Company Board are based upon the totality of the information presented to and considered by them. In light of the numerous factors considered in connection with the evaluation of the Arrangement, neither the Special Committee nor the Unconflicted Company Board found it practicable to, and did not attempt to, quantify or otherwise assign relative weight to the various factors considered in reaching their decisions. In addition, individual members of the Special Committee and the Unconflicted Company Board may have given different weights to different factors. The respective conclusions and unanimous recommendations of the Special Committee and the Unconflicted Company Board were made after considering all of the information and factors involved.

See "*The Arrangement – Reasons for the Recommendation*".

Parties to the Arrangement

The Company

First National is a Canadian-based originator, underwriter and servicer of predominantly prime single-family residential, multi-unit residential and commercial mortgages. First National sources its single-family residential mortgages almost exclusively through independent mortgage brokers and its existing customer base and sources its multi-unit residential and commercial mortgages largely through its experienced in-house mortgage underwriters, who are employees of First National. First National funds the mortgages it originates primarily through institutional placements and a diversified range of securitization alternatives. Since its initial public offering, First National has experienced stable and consistent growth in revenue and earnings supportive of a growing dividend rate on its Common Shares. An important source of First National's stable and growing revenue and performance is its mortgage servicing business. First National services virtually all mortgages generated through its mortgage origination activities and management believes that First National is the largest third-party servicer of multi-unit residential and commercial mortgages in Canada.

First National's head and registered office is located at 16 York Street, Suite 1900, Toronto, Ontario, M5J 0E6.

The Purchaser

The Purchaser is a corporation incorporated under the OBCA with a registered office located at 155 Wellington Street West, Toronto, Ontario, M5V 3J7. The Purchaser is a newly-formed acquisition vehicle indirectly controlled by private equity funds managed by Birch Hill and private equity funds managed by Brookfield. The sole direct shareholder of the Purchaser is Regal Topco.

Regal Topco

Regal Topco is a corporation incorporated under the OBCA with a registered office located at 155 Wellington Street West, Toronto, Ontario, M5V 3J7. Regal Topco is a newly-formed acquisition vehicle directly controlled by private equity funds managed by Birch Hill and private equity funds managed by Brookfield. The Purchaser is a direct wholly-owned subsidiary of Regal Topco.

Regal Holdings LP

Regal Holdings LP is a limited partnership existing under the laws of the Province of Ontario with a registered office located at 16 York Street, Suite 1900, Toronto, Ontario, M5J 0E6. Regal Holdings LP is a newly-formed vehicle created by the Rollover Shareholders and will be the holder of the Rollover Shares prior to the Effective Time.

Background to the Arrangement

See "*The Arrangement – Background to the Arrangement*" for a summary of the principal events leading up to the execution of the Arrangement Agreement and certain meetings, negotiations, discussions and actions of the parties that preceded the execution of the Arrangement Agreement and the announcement of the Arrangement.

Formal Valuation and Fairness Opinion

In connection with the Arrangement, BMO Capital Markets delivered a formal valuation of the Common Shares to the Special Committee and the Unconflicted Company Board dated July 27, 2025, which provided that, as of July 27, 2025 and based on the assumptions, limitations and qualifications contained therein, the fair market value of the Common Shares was in the range of $44.00 to $50.00 per Common Share.

BMO Capital Markets delivered an opinion to the Special Committee, that, as of July 27, 2025, and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to such Shareholders.

The full text of the Formal Valuation and Fairness Opinion is attached as Appendix "E" to this Circular. Shareholders are encouraged to read the Formal Valuation and Fairness Opinion carefully in its entirety. The Formal Valuation and Fairness Opinion was provided to the Special Committee and the Unconflicted Company Board in connection with their evaluation of the Consideration to

be received pursuant to the Arrangement, does not address any other aspect of the Arrangement and does not constitute a recommendation as to how Shareholders should vote or act with respect to the Arrangement.

See "*The Arrangement – Formal Valuation and Fairness Opinion*".

Voting Agreements

Each of the Founders has entered into an irrevocable Founder Voting Agreement with the Purchaser to vote all of the Common Shares owned, directly or indirectly, or controlled by, the Founder in favour of the Arrangement and against any competing acquisition proposals. The Founder Voting Agreements restrict the ability of the Founders to vote for, support or participate in a competing transaction for as long as the Arrangement Agreement is in force and for a period of four months following the termination of the Arrangement Agreement in certain circumstances, including as a result of the failure to obtain the Company Shareholder Approval. In aggregate, as of the Record Date, 42,813,710 Common Shares are subject to the Founder Voting Agreements, representing approximately 71.4% of the issued and outstanding Common Shares.

In addition, each of the directors and executive officers of the Company (other than the Founders), who collectively hold less than 1% of the Common Shares, have entered into customary voting ag reements pursuant to which they have agreed, subject to the terms thereof, to vote all of their Co mmon Shares in favour of the Arrangement at the Meeting.

See "*The Arrangement – Voting Agreements*".

Implementation of the Arrangement

The Arrangement will be implemented by way of a Court-approved plan of arrangement under the OBCA pursuant to the terms of the Arrangement Agreement. Pursuant to the Plan of Arrangement, commencing at the Effective Time, each of the following events shall occur and shall be deemed to occur consecutively in the following order, two minutes apart, except where noted, without any further authorization, act or formality:

(a) each Rollover Share held by Regal Holdings LP immediately prior to the Effective Time shall, without any further action by or on behalf of Regal Holdings LP, be assigned and transferred by Regal Holdings LP to Regal Topco in exchange for the Regal Holdings LP Rollover Consideration, and:

    (i) Regal Holdings LP shall cease to be the holder of such Rollover Shares and to have any rights as a holder of such Rollover Shares other than the right to receive the Regal Holdings LP Rollover Consideration in accordance with the Plan of Arrangement;

    (ii) Regal Holdings LP shall be removed from the register of the Common Shares maintained by or on behalf of the Company; and

(iii) Regal Topco shall be the transferee of such Rollover Shares (free and clear of all Liens) and shall be entered in the register of the Common Shares maintained by or on behalf of the Company;

(b) each Rollover Share held by Regal Topco shall, without any further action by or on behalf of Regal Topco, be assigned and transferred by Regal Topco to the Purchaser in exchange for the Regal Topco Rollover Consideration, and:

(i) Regal Topco shall cease to be the holder of such Rollover Shares and to have any rights as a holder of such Rollover Shares other than the right to receive the Regal Topco Rollover Consideration in accordance with the Plan of Arrangement;

(ii) Regal Topco shall be removed from the register of the Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be the transferee of such Rollover Shares (free and clear of all Liens) and shall be entered in the register of the Common Shares maintained by or on behalf of the Company;

(c) each Company Note outstanding immediately prior to the Effective Time shall, notwithstanding the terms of the Company Notes Indenture, and without any further action by or on behalf of a holder of Company Notes, be redeemed by the Company in exchange for the Company Note Consideration, and:

(i) the holders of such Company Notes shall cease to be the holders of such Company Notes and to have any rights as holders of such Company Notes other than the right to be paid the Company Note Consideration by the Company in accordance with the Plan of Arrangement;

(ii) such holders' names shall be removed from the register of the Company Notes maintained by or on behalf of the Company and the Indenture Trustee; and

(iii) such Company Notes shall be cancelled and cease to be outstanding;

(d) each of the Common Shares held by Dissenting Shareholders in respect of which Dissent Rights have been validly exercised shall be assigned and transferred without any further act or formality to the Purchaser in consideration for a debt claim against the Purchaser for the amount determined under the Plan of Arrangement, and:

(i) such Dissenting Shareholders shall cease to be the holders of such Common Shares and to have any rights as holders of such Common Shares other than the right to be paid fair value by the Purchaser for such Common Shares as set out in the Plan of Arrangement;

(ii) such Dissenting Shareholders' names shall be removed as the holders of such Common Shares from the register of Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be the transferee of such Common Shares free and clear of all Liens, and shall be entered in the register of Common Shares maintained by or on behalf of the Company; and

(e) concurrently with the step (d) above, each Common Share outstanding immediately prior to the Effective Time, other than Common Shares assigned and transferred to the Purchaser pursuant to steps (b) and (d) above, shall, without any further action by or on behalf of a holder of Common Shares, be assigned and transferred by the holder thereof to the Purchaser in exchange for the Consideration, and:

(i) the holders of such Common Shares shall cease to be the holders of such Common Shares and to have any rights as holders of such Common Shares other than the right to be paid the Consideration by the Purchaser in accordance with the Plan of Arrangement;

(ii) such holders' names shall be removed from the register of the Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be the transferee of such Common Shares (free and clear of all Liens) and shall be entered in the register of the Common Shares maintained by or on behalf of the Company.

The Plan of Arrangement is attached as Appendix "B" to this Circular. A copy of the Arrangement Agreement is available under First National's profile on SEDAR+ at www.sedarplus.ca.

See "*The Arrangement – Implementation of the Arrangement*".

Interests of Certain Persons in the Arrangement

In considering the recommendation of the Unconflicted Company Board with respect to the Arrangement Resolution, Shareholders should be aware that certain of the directors and officers of the Company have interests in connection with the Arrangement that may be in addition to, or separate from, those of Shareholders generally in connection with the Arrangement. The Special Committee and the Unconflicted Company Board are aware of these interests and considered them along with other matters described herein.

See "*The Arrangement – Interests of Certain Persons in the Arrangement*".

Procedural Safeguards for Shareholders

The negotiations leading to the execution and announcement of the Arrangement Agreement were undertaken at arm's length with the oversight and participation of the Special Committee, which

was comprised of independent directors and was advised by independent and highly qualified legal and financial advisors. The Arrangement is subject to the following Shareholder and Court approvals, which provide additional protection to Shareholders:

- the Arrangement Resolution must be approved by at least two-thirds (66 $^{2}/_{3}$%) of the votes cast by Shareholders (including the Rollover Shareholders) present or represented by proxy and entitled to vote at the Meeting;

- the Arrangement Resolution must be approved by a simple majority (more than 50%) of the votes cast by the Shareholders present or represented by proxy and entitled to vote at the Meeting, other than the Rollover Shareholders and any other person required to be excluded from such vote in the context of a "business combination" under MI 61-101; and

- the Arrangement must be approved by the Court, after considering the procedural and substantive fairness of the Arrangement at a hearing at which Shareholders and certain others are entitled to be heard.

If the Arrangement does not proceed for any reason, including because it does not receive the approval of the Arrangement Resolution or approval of the Court, First National will continue as a publicly traded company.

MI 61-101 Requirements

The Arrangement constitutes a "business combination" for the purposes of MI 61-101. MI 61-101 requires that, in addition to any other required security holder approval (e.g., under the applicable corporate law statute or the Interim Order), a "business combination" also requires "minority approval" (as such term is defined in MI 61-101) of every class of "affected securities" (as such term is defined in MI 61-101) of the issuer, in each case voting separately as a class. Consequently, in relation to the Arrangement, the approval of the Arrangement Resolution will require the affirmative vote of a simple majority (more than 50%) of the votes cast by the Shareholders present or represented by proxy and entitled to vote at the Meeting, other than the Rollover Shareholders and any other person required to be excluded for the purpose of such vote under MI 61-101.

The Rollover Shareholders beneficially own or exercise control or direction over an aggregate of 42,813,710 Common Shares, representing in the aggregate approximately 71.4% of the outstanding Common Shares, which will be excluded in determining whether Minority Approval for the Arrangement is obtained.

See "*The Arrangement – Certain Legal Matters – Securities Law Matters*".

Arrangement Agreement

On July 27, 2025, the Company and the Purchaser entered into the Arrangement Agreement, pursuant to which it was agreed, among other things, to implement the Arrangement in accordance with and subject to the terms and conditions contained therein and in the Plan of Arrangement. See "*The Arrangement Agreement*" for a summary of the Arrangement Agreement. The full text of the

Arrangement Agreement is available under the Company's profile on SEDAR+ at www.sedarplus.ca.

Risks Associated with the Arrangement

There is a risk that the Arrangement may not be completed. Shareholders should consider the risk factors relating to the Arrangement and the Company in evaluating whether to approve the Arrangement Resolution. Some of these risks include, but are not limited to: (i) obtaining the Company Shareholder Approval; (ii) the Arrangement Agreement may be terminated in certain circumstances, including in the event of a Material Adverse Effect which is incapable of being cured on or prior to the Outside Date, the failure to obtain the requisite Shareholder and Court approvals and the Competition Act Approval on or prior to the Outside Date, the Arrangement becoming illegal or a Change in Recommendation; and (iii) there can be no certainty that all other conditions precedent to the Arrangement will be satisfied or waived. Please refer to the definition of Material Adverse Effect and related definition of CMHC Adverse Event under "*Glossary of Terms*" starting on page 153 of this Circular.

Any failure to complete the Arrangement could materially and negatively impact the trading price of the Common Shares. You should carefully consider the risk factors described in the section "*Risk Factors*" in evaluating the approval of the Arrangement Resolution. Readers are cautioned that such risk factors are not exhaustive.

Certain Canadian Federal Income Tax Considerations

Shareholders should carefully read the information in this Circular under "*Certain Canadian Federal Income Tax Considerations*", which qualifies the information set out below and should consult their own tax advisors.

Shareholders who are residents of Canada for purposes of the Tax Act will generally realize a taxable disposition of their Common Shares under the Arrangement.

Shareholders who are not residents of Canada for purposes of the Tax Act and that do not hold their Common Shares as "taxable Canadian property" (as defined in the Tax Act) will generally not be subject to tax under the Tax Act on the disposition of their Common Shares under the Arrangement.

See "*Certain Canadian Federal Income Tax Considerations*" for a general summary of certain Canadian federal income tax considerations relevant to Shareholders. Such summary is not intended to be legal or tax advice. Shareholders should consult their own tax advisors as to the tax consequences of the Arrangement to them with respect to their particular circumstances.

Other Tax Considerations

This Circular does not address any tax considerations of the Arrangement other than Canadian federal income tax considerations for Shareholders. Shareholders who are residents in or otherwise subject to tax in jurisdictions other than Canada should consult their tax advisors with respect to the relevant tax implications of the Arrangement, including any associated filing requirements, in

such jurisdictions. All Shareholders should also consult their own tax advisors regarding relevant provincial, territorial, local or other tax considerations of the Arrangement.

Depositary

Computershare Investor Services Inc. will act as the Depositary for the receipt of certificates representing the Common Shares and Company Notes and related Letters of Transmittal and the payments to be made to the Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares and any Dissenting Shareholders) and Company Noteholders pursuant to the Arrangement.

See "*Depositary*".

Certain Effects of the Arrangement

Stock Exchange Delisting and Reporting Issuer Status

The Common Shares are currently listed for trading on the TSX under the symbol "FN". Pursuant to the Arrangement Agreement, the Company has agreed to use commercially reasonable efforts to cause, and the Parties have agreed to cooperate in taking, or causing to be taken, all reasonable actions necessary to enable, the Common Shares to be delisted from the TSX as promptly as practicable following the acquisition by the Purchaser of the Common Shares pursuant to the Arrangement.

The Preferred Shares are not being arranged in connection with the Arrangement and will remain outstanding obligations of the Company following closing of the Arrangement in accordance with their terms, including that holders of Preferred Shares will continue to be entitled to regular quarterly dividends. The Preferred Shares will continue to be listed on the TSX and, as a result, the Company will continue to be a reporting issuer under applicable Canadian securities laws following closing of the Arrangement.

See "*The Arrangement – Certain Effects of the Arrangement – Stock Exchange Delisting and Reporting Issuer Status*".

Benefits and Risks of the Arrangement for Shareholders other than the Rollover Shareholders

A primary benefit of the Arrangement to Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) will be the right of such Shareholders to receive the Consideration of $48.00 in cash per Common Share, as described above, representing a premium of approximately 15.2% and 22.8% to the 30 and 90-trading day volume weighted average trading price, respectively, as of July 25, 2025, being the last trading day prior to the announcement of the Arrangement. Additionally, such Shareholders will avoid the risk of any possible decrease in the future growth or value of the Company, the risks related to the Company's business and the need to provide significant additional equity funding or suffer being diluted.

The primary risks and negative factors of the Arrangement to Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) include that such Shareholders will no longer participate in the Company's potential growth or value, if any.

See "*The Arrangement – Certain Effects of the Arrangement*".

Benefits of the Arrangement for the Rollover Shareholders

If the Arrangement becomes effective, each Rollover Shareholder will have exchanged all of the Rollover Shares held by them for ownership interests in the Purchaser at the same value per Rollover Share as the Consideration payable under the Arrangement in accordance with the terms of a Rollover Agreement such that on closing of the Arrangement, Messrs. Smith and Tawse are each expected to maintain an indirect approximate 19% interest in the Company. As such, the Rollover Shareholders will receive benefits and be subject to obligations that are different from, or in addition to, the benefits received by Shareholders generally. The primary benefits of the Arrangement to the Rollover Shareholders include the fact that the Rollover Shareholders will continue to participate in the Company's potential growth or value, if any. Messrs. Smith and Tawse will also each sell approximately two-thirds of their Common Shares to the Purchaser pursuant to the Arrangement for the same Consideration per Common Share as all other Shareholders.

See "*The Arrangement – Interests of Certain Persons in the Arrangement*" and "*The Arrangement – Certain Effects of the Arrangement*".

INFORMATION CONCERNING THE MEETING AND VOTING

Purpose of the Meeting

The Meeting will be held for the following purposes:

1. to consider, and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution, the full text of which is attached as Appendix "A" to this Circular; and
2. to transact such other business as may properly come before the Meeting or any adjournment(s) or postponement(s) thereof.

Date, Time and Place of the Meeting

The Meeting will be held virtually on September 30, 2025 at 10:30 a.m. (Toronto time) at https://meetnow.global/MSWP6AX.

All Shareholders, regardless of their geographic location, will have an equal opportunity to participate in the Meeting and engage with directors and management of the Company as well as with other Shareholders. Shareholders will not be able to attend the Meeting in person. See "*– Virtual Attendance and Participation in the Meeting – Virtual Attendance and Participation in the Meeting*".

General Proxy Information

The persons named in the enclosed form of proxy are representatives of the Company. **A SHAREHOLDER DESIRING TO APPOINT SOME OTHER PERSON TO REPRESENT HIM OR HER AT THE MEETING MAY DO SO** either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, depositing the completed proxy at the office of the transfer agent indicated on the enclosed envelope not later than forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the time of holding the Meeting or any adjournment(s) or postponement(s) thereof.

A proxy given pursuant to this solicitation may be revoked by timely voting again, or by depositing an instrument in writing, including another proxy bearing a later date, executed by the Shareholder or by his or her attorney authorized in writing, and deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment(s) or postponement(s) thereof, at which the proxy is to be used, or by transmitting, by telephone or electronic means in compliance with the requirements above and signed with an electronic signature provided that the means of electronic signature permits a reliable determination of the document's creator, or in any other manner permitted by law.

Voting of Proxies

The Common Shares represented by properly executed proxies in the name of the persons designated in the printed portion of the enclosed form of proxy **WILL BE VOTED FOR EACH OF THE MATTERS TO BE VOTED ON BY SHAREHOLDERS AS DESCRIBED IN THIS**

CIRCULAR OR VOTED AGAINST OR WITHHELD IF SO INDICATED ON THE FORM OF PROXY.

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Special Meeting, or other matters that may properly come before the Meeting. At the time of printing this Circular, the management of the Company knows of no such amendments, variations or other matters to come before the Meeting.

Virtual Attendance and Participation in the Meeting

Virtual Attendance and Participation in the Meeting

The Company is holding the Meeting in an online, virtual only format, which will be conducted via live audio webcast. Shareholders will not be able to attend the Meeting in person. Attending the Meeting in an online, virtual only format enables Registered Shareholders and duly appointed proxyholders, including Beneficial Shareholders who have duly appointed themselves as their proxy, to participate in the Meeting and ask questions, all in real time. Registered Shareholders and duly appointed proxyholders can vote at the appropriate times during the Meeting.

In order to participate or vote at the Meeting (including for voting and asking questions at the Meeting), Shareholders must have a valid control number or invite code. Registered Shareholders and duly appointed proxyholders will be able to virtually attend, participate and vote at the Meeting online at https://meetnow.global/MSWP6AX. Such persons may then enter the Meeting by, in the case of a Registered Shareholder, clicking "Shareholder" and entering a control number or invite code, and in the case of a proxyholder, clicking "Invitation" and entering an invite code before the start of the Meeting.

- Registered Shareholders: The 15-digit control number located on the form of proxy is the control number. If, as a Registered Shareholder, you are using your control number to log in to the Meeting and you have previously voted prior to voting cut-off, you do not need to vote again at the Meeting. If you log in and accept the terms and conditions, any and all previously submitted proxies will be revoked and you may vote at the Meeting. If you **do not** wish to revoke any and all previously submitted proxies, do **NOT** vote during the online ballot.

- Duly appointed proxyholders: Computershare will provide the proxyholder with an invite code by e-mail after the voting deadline has passed. Only Registered Shareholders and duly appointed proxyholders will be entitled to participate and vote at the Meeting. Beneficial Shareholders who have not duly appointed themselves as proxyholder will be able to virtually attend the Meeting only as guests and to listen to the webcast but not be able to participate, ask questions or vote at the Meeting. Shareholders who wish to appoint a third party proxyholder to represent them at the Meeting (including Beneficial Shareholders who wish to appoint themselves as proxyholder to participate or vote at the Meeting) **MUST** submit their duly completed proxy or voting instruction form **AND** register the proxyholder. See "– *Appointing a Third Party as Proxy*".

Shareholders will be allowed to log in as early as 30 minutes before the start time of the Meeting. The virtual Meeting platform is supported across commonly used internet browsers other than Internet Explorer (e.g., Edge, Firefox, Chrome, and Safari) and devices (e.g., desktops, laptops, tablets, and cell phones). If you intend to join the live audio webcast, you should ensure that you have a strong Wi-Fi or Internet connection from wherever you intend to join and participate in the virtual Meeting. It is your responsibility to ensure connectivity for the duration of the virtual Meeting. It is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. We encourage you to access the virtual Meeting before it begins, and you should give yourself plenty of time to log in and ensure that you can hear streaming audio prior to the start of the Meeting.

Appointing a Third Party as Proxy

The following applies to Shareholders who wish to appoint a person (a "**third party proxyholder**") other than the management nominees set forth in the form of proxy or voting instruction form as proxyholder, including Beneficial Shareholders who wish to appoint themselves as proxyholder to participate or vote at the Meeting.

Shareholders who wish to appoint a third party proxyholder to vote at the Meeting as their proxy and vote their shares **MUST** submit their proxy or voting instruction form (as applicable) appointing such third party proxyholder **AND** register the third party proxyholder, as described below. Registering your proxyholder is an additional step to be completed **AFTER** you have submitted your proxy or voting instruction form. **Failure to register the proxyholder will result in the proxyholder not receiving an invite code to virtually attend, participate or vote at the Meeting.**

Step 1: Submit your proxy or voting instruction form: To appoint a third party proxyholder, insert such person's name in the blank space provided in the form of proxy or voting instruction form and follow the instructions for submitting such form of proxy or voting instruction form. This must be completed **prior** to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.

A proxy can be submitted to Computershare Investor Services Inc. either in person, by mail or courier, to 320 Bay Street, 14th Floor, Toronto, ON M5H 4A6 or via the internet at www.investorvote.com. A proxy will not be valid unless the completed form of proxy is received by Computershare not later than 10:30 a.m. (Toronto time) on September 26, 2025 or 48 hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the time of the holding of any adjourned or postponed Meeting.

Step 2: Register your proxyholder: To register a proxyholder, Shareholders **MUST** register the proxyholder at http://www.computershare.com/FirstNational no later than 10:30 a.m. (Toronto time) on September 26, 2025, or forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) before the time of the holding of any adjourned or postponed Meeting, so that as large a representation as possible may be had at the Meeting, and provide Computershare with the required proxyholder contact information, so that Computershare may provide the proxyholder with

a Username via email. Without an invite code, proxyholders will not be able to virtually attend, participate or vote at the Meeting.

If you are a Beneficial Shareholder and wish to virtually participate or vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your intermediary, follow all of the applicable instructions provided by your intermediary **AND** register yourself as your proxyholder, as described above. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary.

Voting of Proxies

Shareholders may vote by proxy before the Meeting or vote at the Meeting, as described below:

1. **Voting by proxy before the Meeting**

You may vote before the Meeting by completing your form of proxy or voting instruction form in accordance with the instructions provided therein. Beneficial Shareholders should also carefully follow all instructions provided by their intermediaries to ensure that their shares are voted at the Meeting. Voting by proxy is the easiest way to vote. It means you are giving someone else the authority to virtually attend the Meeting and vote on your behalf.

Proxyholders named in the enclosed form of proxy will vote (or withhold from voting) the shares in respect of which they are appointed as proxies in accordance with your instructions, including on any ballot that may be called. **In the absence of a specified choice in relation to the Arrangement Resolution, or if more than one choice is indicated, the Common Shares represented by the form of proxy will be voted IN FAVOUR of the Arrangement Resolution.** If there are changes to the items of business or new items properly come before the Meeting, or any adjournment(s) or postponement(s) thereof, a proxyholder can vote as he or she sees fit.

You can appoint someone else to be your proxy. This person does not need to be a Shareholder. See *"– Appointing a Third Party as Proxy".*

Registered Shareholders and Beneficial Shareholders may vote their Common Shares before the Meeting using the following methods:

VOTING METHOD	BENEFICIAL SHAREHOLDERS *Common Shares held with a broker, bank, or other intermediary.*	REGISTERED SHAREHOLDERS *Common Shares held in own name and represented by a physical certificate or DRS.*
	Go to www.proxyvote.com. Enter the 16-digit control number printed on your voting instruction form and follow the instructions on the screen.	Go to www.investorvote.com. Enter the 15-digit control number printed on your form of proxy and follow the instructions on screen.
	Call the toll-free number listed on your Voting Instruction Form (VIF) and vote using the control number provided therein.	1-866-732-VOTE (8683)

	Complete, date and sign the voting instruction form and return it in the enclosed postage paid envelope.	Complete, date and sign the form of proxy and return it in the enclosed postage paid envelope to: *Computershare Investor Services Inc.* *320 Bay Street, 14th Floor, Toronto, ON M5H 4A6*

The Company may use Broadridge Investor Communications Corporation's QuickVote™ service to assist eligible Beneficial Shareholders with voting their Common Shares over the telephone. Certain Beneficial Shareholders who have not objected to an intermediary disclosing their ownership information to the Company may be contacted by Laurel Hill Advisory Group, which is soliciting proxies on behalf of the management of the Company, to conveniently obtain a vote directly over the telephone.

2. Voting at the Meeting

Registered Shareholders of the Company may vote at the Meeting by completing a ballot online during the Meeting. See "– *Virtual Attendance and Participation in the Meeting*". Without an invite code, a proxyholder will not be able to vote at the Meeting.

Beneficial Shareholders who have not duly appointed themselves as their proxy will be able to virtually attend the Meeting only as guests and to listen to the Meeting but not be able to participate, ask questions or vote at the Meeting. This is because the Company and Computershare, our transfer agent, do not have a record of the Beneficial Shareholders of the Company, and, as a result, will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as your proxy. If you are a Beneficial Shareholder and wish to vote at the Meeting, you have to appoint yourself as your proxy, by inserting your own name in the space provided on the voting instruction form sent to you and you must follow all of the applicable instructions, including the deadline, provided by your intermediary. See "– *Appointing a Third Party as Proxy*".

Asking Questions

Only Registered Shareholders and duly appointed proxyholders can ask questions. If you want to ask questions during the Meeting, log into the virtual Meeting at http://meetnow.global/MSWP6AX, click on the Q&A icon, type your question in the text box, and click the send button.

Questions pertinent to Meeting matters will be answered during the Meeting. Questions that are unrelated to the proposals under discussion, use blatantly offensive language or are regarding personal matters, will not be answered by the Chair or management.

Solicitation of Proxies

This Circular is delivered in connection with the solicitation of proxies by management of the Company for use at the Meeting or any adjournment(s) or postponement(s) thereof, at the place and for the purposes set out in the accompanying Notice of Special Meeting.

Management of the Company is soliciting your proxy. The Company has retained Laurel Hill Advisory Group as its proxy solicitation agent for assistance in connection with the solicitation of proxies for the Meeting. Management requests that you sign and return the form of proxy or voting instruction form so that your votes are exercised at the Meeting.

The solicitation of proxies will be primarily by mail, but proxies (and voting instructions in the case of Beneficial Shareholders) may also be solicited personally or by telephone by employees of the Company. The total cost of the solicitation of proxies (and voting instructions in the case of Beneficial Shareholders) will be borne by the Company (except that the Purchaser has agreed to bear the fees and expenses of Laurel Hill Advisory Group) and the Company will reimburse intermediaries for their reasonable charges and expenses incurred in forwarding proxy materials to Beneficial Shareholders. The Purchaser may also participate in the solicitation of proxies.

Registered Shareholders

You are a "**Registered Shareholder**" if you have a Common Share certificate or DRS Advice issued in your name and as a result, have your name shown on First National's register of Shareholders kept by our transfer agent, Computershare. If you are a Registered Shareholder, you may vote by proxy or during the Meeting with an online ballot (see "*– Date, Time and Place of the Meeting*"). You also have the option of appointing another person to represent you as proxyholder and vote your Common Shares at the Meeting (see "*– Virtual Attendance and Participation in the Meeting – Appointing a Third Party as Proxy*").

Beneficial Shareholders

The information set forth in this section is of significant importance to the holders of Common Shares who do not hold Common Shares in their own names. Such holders, referred to in this Circular as "**Beneficial Shareholders**", should note that since all Common Shares are held in the book-based system operated by CDS Clearing and Depository Services Inc. ("**CDS**"), only proxies deposited by CDS, as the sole registered holder of Common Shares, can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a holder by a broker, then those Common Shares will not be registered in the holder's name on the records of the Company. All of such Common Shares will be registered under the name of CDS & Co., the registration name for CDS.

This Circular is being sent to both Registered Shareholders and Beneficial Shareholders of the Common Shares. The Company is not sending proxy-related materials directly to Beneficial Shareholders who have not objected to an intermediary disclosing their beneficial ownership information. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, such Beneficial Shareholders can expect to receive the Circular from their intermediary and the Company intends to pay for an intermediary to deliver the proxy-related materials to Beneficial Shareholders who have objected to an intermediary disclosing their beneficial ownership.

Typically, intermediaries will use service companies to forward the meeting materials to Beneficial Shareholders. Beneficial Shareholders who have not waived the right to receive meeting materials will either:

(a) be given a voting instruction form which must be completed and signed by the Beneficial Shareholder in accordance with the directions on the voting instruction form, which may in some cases permit the completion of the voting instruction form by telephone or through the Internet; or

(b) be given a proxy which has already been signed by the intermediary (typically by a facsimile, stamped signature), which is restricted as to the number of Common Shares beneficially owned by the Beneficial Shareholder but which is otherwise uncompleted. This form of proxy need not be signed by the Beneficial Shareholder. In this case, the Beneficial Shareholder who wishes to submit a proxy should otherwise properly complete the form of proxy received from the intermediary and deposit it with Computershare Investor Services Inc., 320 Bay Street, 14th Floor, Toronto, ON M5H 4A6, as described above.

The purpose of these procedures is to permit Beneficial Shareholders to direct the voting of the Common Shares they beneficially own. Should a Beneficial Shareholder who receives either a proxy or a voting instruction form wish to attend and vote at the Meeting, or have another person attend and vote on behalf of the Beneficial Shareholder, the Beneficial Shareholder should strike out the names of the persons named in the proxy and insert the Beneficial Shareholder's or such other person's name in the blank space provided or, in the case of a voting instruction form, follow the corresponding instructions on the form. In either case, Beneficial Shareholders should carefully follow the instructions of their intermediaries and their service companies.

If you are a Beneficial Shareholder and wish to vote at the Meeting, please review the voting instructions provided to you or contact your broker or agent well in advance of the Meeting to determine how you can do so.

Voting Common Shares and Quorum

As at the Record Date of August 21, 2025, the Company had issued and outstanding 59,967,429 Common Shares, 2,984,835 Series 1 Preferred Shares and 1,015,165 Series 2 Preferred Shares. Only holders of the Common Shares will be entitled to vote at the Meeting. Each Shareholder is entitled to one vote for each Common Share registered in his or her name.

Pursuant to the Company's by-laws, a quorum is present at the Meeting if the holders of not less than 10% of the shares entitled to vote at the Meeting are present at the Meeting or represented by proxy, irrespective of the number of persons present at the Meeting.

Principal Holders of Voting Securities

To the knowledge of the directors and officers of the Company, the only persons that beneficially own, or control or direct, directly or indirectly, Common Shares carrying more than 10% of the voting rights are Stephen Smith, Director and Executive Chairman of the Company, and Moray Tawse, Director and Senior Executive Vice President and Secretary of the Company. Mr. Smith beneficially holds, directly or indirectly, or exercises control or direction over, 22,409,355 Common Shares representing approximately 37.4% of the issued and outstanding Common Shares (on a fully diluted basis). Mr. Tawse beneficially holds, directly or indirectly, or exercises control

or direction over, 20,404,355 Common Shares representing approximately 34.0% of the issued and outstanding Common Shares (on a fully diluted basis).

Other than the shares which are held indirectly by Messrs. Smith and Tawse, the directors and executive officers of First National beneficially own, directly or indirectly, or exercise control or direction over an aggregate of 85,578 Common Shares, representing less than 1% of the issued and outstanding Common Shares (on a fully diluted basis).

Dissent Rights

Registered Shareholders have been provided with Dissent Rights in respect of the Arrangement Resolution in the manner provided in section 185 of the OBCA, as modified by the Interim Order and the Plan of Arrangement. See "*Dissenting Shareholders' Rights*" for more information.

Other Business

Management does not intend to present and does not have any reason to believe that others will present any item of business other than those set out in this Circular at the Meeting. However, if any other business is properly presented at the Meeting or any adjournment(s) or postponement(s) thereof, and may be properly considered and acted upon, proxies will be voted by those named in the applicable proxy form in their sole discretion, including with respect to any amendments or variations to the matters identified in this Circular, to the extent permitted by Law.

THE ARRANGEMENT

At the Meeting, Shareholders will be asked to consider and, if thought advisable, to pass the Arrangement Resolution to approve the Arrangement. The Arrangement, the Plan of Arrangement and the terms of the Arrangement Agreement are summarized below. This summary does not purport to be complete and is qualified in its entirety by reference to the Plan of Arrangement attached as Appendix "B" to this Circular and the Arrangement Agreement, which is available under First National's profile on SEDAR+ at www.sedarplus.ca.

In order to become effective, the Arrangement Resolution must be approved (the "**Company Shareholder Approval**"):

- by at least two-thirds (66 $^{2}/_{3}$%) of the votes cast by Shareholders present or represented by proxy and entitled to vote at the Meeting; and

- by a simple majority (more than 50%) of the votes cast by the Shareholders present or represented by proxy and entitled to vote at the Meeting, other than the Rollover Shareholders and any other person required to be excluded from such vote in the context of a "business combination" under MI 61-101.

A copy of the Arrangement Resolution is attached as Appendix "A" of this Circular. To the knowledge of the Company, after reasonable inquiry, of the 59,967,429 Common Shares issued and outstanding as of the Record Date, 42,813,710 Common Shares, representing approximately 71.4% of the Common Shares, held by the Rollover Shareholders will be excluded from the Minority Approval in accordance with MI 61-101. See "*Certain Legal Matters – Securities Law Matters – Minority Approval*".

Overview

The Arrangement will be effected pursuant to the terms of the Arrangement Agreement, which provides for, among other things, the acquisition by the Purchaser of all of the issued and outstanding Common Shares by way of a court-approved statutory plan of arrangement under section 182 of the OBCA. Pursuant to the Arrangement Agreement and the Plan of Arrangement, each Shareholder (except for the Rollover Shareholders in respect of their Rollover Shares and any Dissenting Shareholders) will be entitled to receive $48.00 in cash per Common Share.

The Company Notes will be redeemed by the Company on closing of the Arrangement to the extent outstanding at such time. Each Company Noteholder will receive the Company Note Consideration, being a cash amount equal to the applicable redemption price, plus accrued and unpaid interest, as of the Effective Date in accordance with the terms of the Company Notes.

Background to the Arrangement

On July 27, 2025, the Company and the Purchaser entered into the Arrangement Agreement, which sets out the terms and conditions for implementing the Arrangement. The Arrangement Agreement is the result of a robust strategic review process and extensive arm's length negotiations among representatives of the Company, the Founders, Birch Hill and Brookfield, with the oversight and participation of the Special Committee and its legal and financial advisors. The following is a

summary of the principal events leading up to the execution and public announcement of the Arrangement.

The Company is a Canadian originator, underwriter and servicer of predominantly prime single-family residential, multi-unit residential and commercial mortgages. The Company was co-founded by the Founders in 1988 and completed its initial public offering in June 2006. The Board and senior management of the Company regularly review the Company's overall corporate strategy and, from time to time, have considered various strategic options that might accelerate the achievement of the Company's business plan, maximize shareholder value and otherwise be in the best interests of the Company.

In late 2024, the Founders, being the largest shareholders of the Company (together holding approximately 71.4% of the Common Shares), indicated to the Board that they were interested in exploring a sale of a significant portion of their shareholdings in the Company. Mr. Smith, also the Executive Chairman of the Company, informed the Board that, in his view, a change of control transaction was likely to maximize the premium a buyer would be willing to pay to acquire Common Shares from the Founders (a view that was later supported by the Company's financial advisor) and would also give minority Shareholders the opportunity to benefit from that premium valuation. The Founders further advised that they were each committed to retaining a significant ownership interest in the Company, which they expected would make the transaction more attractive to potential buyers both by demonstrating the Founders' ongoing commitment to the business and decreasing the financing required to acquire the remaining outstanding Common Shares.

In light of the intentions expressed by the Founders, on December 20, 2024, the Board met to discuss the possible commencement of a process to explore, among other things, a potential change of control transaction (the "**Review Process**"). Following discussion, the Board concluded that it would be in the best interests of the Company and its stakeholders to approve the engagement of RBC Dominion Securities Inc. ("**RBC**") to act as financial advisor to the Company with a mandate to, among other things, undertake a broad market canvass to determine potential interest in a transaction involving the Company. The Board further concluded that, consistent with best governance practices, a special committee of independent directors should be formed to oversee the Review Process. The Board approved the formation and mandate of the Special Committee to oversee the Review Process comprised of the following independent directors: Robert Mitchell (as chair), Martine Irman and Duncan N.R. Jackman.

The mandate of the Special Committee, as adopted by the Board, empowered the Special Committee to, among other things: (i) review and consider any proposals from third parties in connection with the Review Process, including their financial and other terms and any special benefits accruing to any interested party, having regard to other alternatives (including maintaining the status quo), with the assistance of management and other representatives of the Company and its advisors; (ii) oversee, supervise and, if necessary or appropriate, engage in the negotiation of any such proposals and any related legal agreements or other documentation; (iii) report to the Board on any recommendation of the Special Committee regarding its review of any proposal, including whether any such proposal is in the best interests of the Company; (iv) if required or considered appropriate, supervise the preparation of a formal valuation and/or a fairness opinion in connection with any proposal and review with the valuator or opinion giver the key factors,

methodologies and assumptions used in preparing such valuation or opinion; and (v) engage financial, legal and other advisors as it deemed necessary. In early January 2025, the Special Committee retained Blake, Cassels & Graydon LLP ("**Blakes**") to act as its independent legal counsel.

The Special Committee held its first meeting on January 15, 2025. At this meeting, the Special Committee received advice from Blakes in respect of its duties and responsibilities, including the fiduciary duties and other legal obligations of the members of the Special Committee in the context of the Review Process, including the heightened requirements under MI 61-101 and the importance of maintaining independence. In particular, the Special Committee discussed the retention of an independent financial advisor, including for the purposes of providing a fairness opinion and a formal valuation (if required) under MI 61-101.

At the initial Special Committee meeting, RBC provided an overview of the Review Process to the Special Committee, including a list of potential North American financial sponsors that RBC considered might be interested in pursuing a potential transaction. RBC advised the Special Committee that it expected there would be limited interest from strategic buyers, including major Canadian financial institutions, given the potential for funding and commercial dis-synergies. RBC recommended a two-phase process designed to create competitive tension to achieve the highest possible price for the Company while limiting business disruption by keeping the process confidential and inviting solicitations of interest from a broad set of logical potential buyers.

Following the January 15, 2025 meeting of the Special Committee, Blakes, at the direction of the Special Committee, contacted four investment banking firms, including BMO Nesbitt Burns Inc. ("**BMO Capital Markets**"), to assess their interest in serving as the Special Committee's independent financial advisor and, in the event a formal valuation was required, as formal valuator candidates. On January 22, 2025, the Special Committee met with all four candidates to assess their experience, credentials and independence and to discuss their proposed approach to the mandate and fees. In light of the status of the Review Process and considering the possibility that compelling offers might not be received in the initial indications of interest, the Special Committee ultimately determined not to formally engage a financial advisor until initial indications of interest from potential bidders had been received.

Early in the course of its engagement, RBC noted that, if requested, certain of its affiliates may be able to participate as a debt financing source to potential parties to a transaction with the Company subject to, among other things, the consent of the Company and appropriate information barriers. In addition, given the public company nature of the transaction, the terms of RBC's engagement letter established that in such circumstances where it did provide financing for a transaction with the Company, RBC would not provide a fairness opinion to the Company with respect to the transaction. On February 13, 2025, the Company provided consent to RBC to allow RBC and its affiliates to discuss potential financing of acquisition proposals with potential bidders, and to potentially provide financing in connection with a transaction if requested.

Over the course of January, RBC contacted 34 potential bidders on a strictly confidential basis to solicit interest in a potential transaction. Of the 34 potential bidders contacted by RBC, 17 (including each of Birch Hill and Brookfield) executed non-disclosure agreements with the Company.

RBC communicated to all 17 potential bidders that had executed non-disclosure agreements with the Company that non-binding indications of interest for a possible acquisition of a majority of the outstanding Common Shares were to be provided to RBC by no later than February 25, 2025. Potential bidders were also advised that the Founders had indicated they were committed to retaining a significant ownership interest in the Company. The Company ultimately received four non-binding indications of interest involving the acquisition of all of the Common Shares, subject to a partial rollover by the Founders (including one from Birch Hill, which indicated it would need to find an equity partner) as well as three additional non-binding proposals that proposed alternative structures that were determined not to be acceptable to the Company and the Founders. Each indication of interest received was subject to the completion of due diligence and other customary conditions.

On March 4, 2025, in connection with a previously scheduled Board meeting, the Board (including all members of the Special Committee) received an update from RBC regarding the non-binding indications of interest that had been received. At this meeting, following the review and receipt of financial advice from RBC, the Board determined that the Company should invite three bidders who had submitted non-binding indications of interest to perform detailed due diligence and that the terms of the fourth bid were not sufficiently competitive for advancement. RBC communicated to the selected parties that their final non-binding proposals, together with comments on draft definitive transaction documents, were to be submitted by no later than April 15, 2025.

Also on March 4, 2025, the Special Committee met again with Blakes and representatives of the Company's outside legal counsel, Torys LLP, for an update on the Review Process, and considered the proposals received from potential independent financial advisors, including two additional proposals that had been received since January. At an in camera portion of the meeting with Blakes, the Special Committee determined to negotiate with BMO Capital Markets regarding its potential engagement as independent financial advisor.

Following the March 4, 2025 Special Committee meeting, Mr. Mitchell and Blakes met several times with BMO Capital Markets to discuss the terms of its engagement by the Special Committee. On March 14, 2025, the Special Committee met and approved the terms on which it was prepared to engage BMO Capital Markets as its independent financial advisor and formal valuator, which engagement was subsequently confirmed in an engagement agreement effective as of March 14, 2025.

In early March 2025, Birch Hill requested that it be permitted to jointly evaluate the transaction with Brookfield, which had not submitted a non-binding indication of interest, and the Company provided its consent.

In late April 2025, after the selected parties had progressed their due diligence, the Company received two final proposals for an acquisition of all of the Common Shares, subject to a partial rollover by the Founders (the "**Phase II Proposals**") and one proposal that proposed an alternative structure that was determined to be unacceptable to the Company and the Founders. The Phase II Proposals included a joint proposal from Birch Hill and Brookfield (the "Initial Purchaser Proposal") and a proposal from another bidder ("**Party X**").

The Special Committee met on April 28, 2025 and received an update from RBC on the proposals that had been received. Both Phase II Proposals contemplated that the Founders would each roll

approximately one-third of their current shareholdings such that they would each retain an indirect approximate 19% equity interest following completion of the transaction and that the Preferred Shares would remain outstanding in accordance with their terms. Birch Hill and Brookfield proposed to acquire the remaining Common Shares for $47.50 per Share in cash, which was higher than the price offered by Party X.

Each of the Phase II Proposals also included comments on the Arrangement Agreement and ancillary documents, details regarding the financing sources and no financing condition. The Initial Purchaser Proposal included a requirement that the Founders agree to "hard" voting support agreements that would not immediately terminate if a superior proposal emerged or the Shareholders did not approve the transaction and that the arrangement agreement contain a "force the vote" provision which would require the Company to put the transaction to its Shareholders for a vote notwithstanding the emergence of a superior proposal. The draft arrangement agreement provided by Party X was no more favourable to the Company or the Founders, including in this respect. Both Phase II Proposals requested a short period of exclusive negotiations to settle the definitive agreements, with Birch Hill and Brookfield requesting exclusivity for a 45-day period. The Special Committee discussed the Phase II Proposals in camera and confirmed that it supported entering into exclusivity with Birch Hill and Brookfield, subject to continued negotiation of the definitive documents and an increase in the price per Common Share they were willing to pay.

Over the next few days, RBC continued to engage with Party X and Birch Hill and Brookfield on their respective offer prices and other proposed deal terms. In particular, RBC advised Birch Hill and Brookfield that the Special Committee, the Founders and the Company did not agree to their request for "hard" voting support agreements from the Founders and a "force the vote" provision in the arrangement agreement and that the Company and Founders would continue to propose "soft" voting support agreements from the Founders. As negotiations progressed, certain members of the Company's management, RBC and representatives of the Founders, with advice from Torys and Blakes, together reviewed and evaluated the revised proposals, including with regard to the proposed closing conditions, key deal terms and the proposed scope of confirmatory due diligence.

On May 7, 2025, Birch Hill and Brookfield submitted a revised proposal with an increased offer price of $48.00 per Common Share in cash, which represented a 26% premium to the 30-trading day volume weighted average trading price of the Common Shares on the TSX as of that date (the "**Revised Purchaser Proposal**"). The Revised Purchaser Proposal reiterated the other material terms of the Initial Purchaser Proposal, except that the references to "hard" voting support agreements and a "force the vote" provision were removed on the understanding that these terms would be the subject of continued negotiations. While Party X indicated its willingness to increase it offer price above its initial offer, that price remained materially lower than the Revised Purchaser Proposal. On May 8, 2025, the Company entered exclusivity with Birch Hill and Brookfield for a 30-day period to complete confirmatory due diligence and settle definitive agreements.

Over the course of the initial 30-day exclusivity period, Brookfield and Birch Hill conducted further due diligence and the parties and their respective advisors advanced negotiations of the Arrangement Agreement and other ancillary agreements. As significant progress was continuing to be made, the Company agreed to extend exclusivity on June 7 and June 27, 2025 to allow Brookfield and Birch Hill to finish their confirmatory due diligence and for further progress to be made on the negotiations of the agreements and the Purchaser's financing.

In early July 2025, Birch Hill and Brookfield notified the Company that they would be revising the terms of the Arrangement Agreement to prohibit the payment by the Company of its regular monthly dividend on the Common Shares between signing of the Arrangement Agreement and closing of the Arrangement, which would have resulted in an effective decrease to the Consideration to be received by Shareholders. Birch Hill and Brookfield also continued to require that the Founders enter into "hard" voting support agreements and that the Company agree to a "force the vote" provision as a condition to proceeding. Birch Hill and Brookfield were, however, prepared to accept a relatively low $50 million termination fee payable by the Company in certain limited circumstances. During the course of negotiations on a number of outstanding commercial issues, the Company rejected any cessation or reduction of the Company's monthly dividend on the Common Shares and Birch Hill and Brookfield eventually conceded this point.

Also early in July, RBC indicated that, following its receipt of consent from the Company, its affiliate would likely participate as a lender in the debt financing of the Purchaser's acquisition of the Company, and that consistent with the terms of its engagement letter, it would not be in a position to provide a fairness opinion for the Arrangement.

At a meeting of the Special Committee held on July 9, 2025, Blakes outlined for the Special Committee the primary areas of negotiation in the Arrangement Agreement and ancillary documents to date and highlighted the remaining open issues, including the Purchaser's request for a "force-the-vote" provision and "hard" voting support agreements from the Founders that would have prevented the Founders from supporting any other transaction for a set period regardless of whether the Company Shareholder Approval was obtained. The Special Committee also considered the fact that the Preferred Shares would remain outstanding and listed on the TSX following completion of the Arrangement. The Special Committee also discussed RBC's indication that it would likely be participating in the acquisition financing and would not be in a position to provide a fairness opinion for the transaction, and noted that the Special Committee would have the benefit of a fairness opinion from BMO Capital Markets, its independent financial advisor.

During the weeks leading up to the announcement, the parties, together with their respective advisors, negotiated the remaining commercial issues, the terms of the Arrangement Agreement, the Founder Voting Agreements and the other ancillary agreements. Despite continued negotiation, Birch Hill and Brookfield continued to require the inclusion of a "force the vote" provision and "hard" voting support agreements from the Founders. The Company and the Founders were, however, able to negotiate a shorter term for the "hard" voting support agreements, such that they would terminate four months following termination of the Arrangement Agreement as a result of the failure to obtain the required Shareholder approval (among other circumstances) and the Company retained the ability to consider, and obtain the perspectives of the Founders on, other potential offers prior to the Meeting and for the Unconflicted Company Board to change its recommendation. In addition, the Founders, whose support would be required to complete any change of control transaction, advised the Company of their willingness to enter into the "hard" voting support agreements on the negotiated terms.

On July 27, 2025, a Special Committee meeting was held to review the terms and conditions of the Arrangement and the related agreements and to receive detailed presentations from RBC, BMO Capital Markets, Torys and Blakes. All other members of the Unconflicted Company Board were

also in attendance. At this meeting, RBC delivered a presentation summarizing the Review Process and the final terms of the Arrangement for consideration by the Unconflicted Company Board, key considerations relating to the Arrangement and RBC's financial assessment of the Arrangement. BMO Capital Markets then delivered its presentation, including the conclusion of its formal valuation that, as of July 27, 2025, and based upon BMO Capital Markets' analysis and subject to the assumptions, limitations and qualifications set forth in the Formal Valuation and Fairness Opinion, which is attached as Appendix "E" to this Circular, the fair market value of the Common Shares is in the range of $44.00 to $50.00 per Common Share. BMO Capital Markets also presented its opinion that, as of July 27, 2025, and subject to the assumptions, limitations and qualifications set forth in the Formal Valuation and Fairness Opinion, which is attached as Appendix "E" to this Circular, the Consideration to be received by Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to such Shareholders. Torys and Blakes presented a summary of the material terms of the Arrangement Agreement, the Founder Voting Agreements and certain ancillary documents.

Following the discussion of the Arrangement Agreement and related matters, members of management, RBC and Torys left the meeting, and the Special Committee held an in camera session with remaining members of the Unconflicted Company Board, BMO Capital Markets and Blakes in attendance. During the in camera session, BMO Capital Markets confirmed the aforementioned conclusions set forth in the Formal Valuation and Fairness Opinion.

The Special Committee unanimously resolved to recommend that the Board approve the Arrangement Agreement and that the Board recommend that the Shareholders vote in favour of the Arrangement Resolution at the Meeting. Immediately following the termination of the Special Committee meeting, a Board meeting was convened and BMO Capital Markets formally delivered its Formal Valuation and Fairness Opinion to the Unconflicted Company Board following which the Unconflicted Company Board unanimously determined that the Arrangement is in the best interests of the Company and that the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair to such Shareholders. Accordingly, the Unconflicted Company Board unanimously resolved to approve the Arrangement Agreement and to recommend that the Shareholders vote in favour the Arrangement Resolution at the Meeting.

The Arrangement Agreement and other transaction documents were finalized and executed on the evening of July 27, 2025 and a press release announcing the transaction was issued immediately thereafter.

Recommendation of the Special Committee

The Special Committee comprised solely of independent directors of the Company, being Robert Mitchell, Martine Irman and Duncan N.R. Jackman (the "**Special Committee**"), was formed on December 20, 2024. Each member of the Special Committee is independent for purposes of MI 61-101.

The review and assessment of the proposed Arrangement was conducted with the oversight and participation of the Special Committee in accordance with its mandate, which authorized the Special Committee to, among other things: review and consider any proposals, including their financial and other terms and any special benefits accruing to any interested party, having regard to other alternatives (including maintaining the status quo), with the assistance of management and

other representatives of the Company and the Company's advisors; oversee, supervise and, if necessary or appropriate, engage in the negotiation of any proposals, including the proposed structure and terms and conditions of any proposal and any related legal agreements or other documentation, and recommend approval of all transaction documentation relating to any proposal and the execution thereof by the Company to the Board, in each case, with the benefit of advice from management and other representatives of the Company or the Company's advisors and subject to final approval by the Board; report to the Board as to whether the Special Committee recommends that the Board pursue and recommend for or against any proposal, having regard to all relevant considerations and whether such proposal is in the best interests of the Company (including the acceptance or rejection of any proposal, the signing of any agreements, the calling and holding of any meeting of Shareholders and the implications of any proposal for the Shareholders and other stakeholders of the Company; if required or considered appropriate, supervise the preparation of a formal valuation and/or a fairness opinion in connection with any proposal, and review with the valuator or opinion giver the key factors, methodologies and assumptions used in preparing the valuation or opinion; and take all such further actions as the Special Committee shall deem necessary or advisable in order to carry out the intent of and accomplish the foregoing).

The Special Committee reviewed and considered the terms of the Arrangement and received independent financial and legal advice, including obtaining the Formal Valuation and Fairness Opinion. Following this review process, and after careful consideration and for the reasons discussed below under "*The Arrangement – Reasons for the Recommendation*", the Special Committee unanimously recommended that the Board determine that the Arrangement is in the best interests of the Company and that the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair to such Shareholders, approve the Arrangement and recommend that Shareholders vote **IN FAVOUR** of the Arrangement Resolution at the Meeting.

Recommendation of the Unconflicted Company Board

The Unconflicted Company Board, for the reasons discussed below under "*The Arrangement – Reasons for the Recommendation*" and after receiving legal and financial advice, including the Formal Valuation and Fairness Opinion, and the unanimous recommendation of the Special Committee, unanimously determined that the Arrangement is in the best interests of the Company and that the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair to such Shareholders. Accordingly, the Unconflicted Company Board unanimously recommends that the Shareholders vote **IN FAVOUR** of the Arrangement Resolution at the Meeting (the "**Board Recommendation**").

Each member of the Unconflicted Company Board, including each member of the Special Committee, has entered into a Voting Agreement, pursuant to which such member has agreed to vote all of his or her Common Shares **IN FAVOUR** of the Arrangement Resolution.

Reasons for the Recommendation

- *All Cash Consideration, Compelling Value and Immediate Liquidity to Shareholders*. The Consideration is all cash, which will provide Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) with certainty of value and immediate liquidity that enables them to realize significant value for their interest in the Company

without having to assume long-term business and execution risk (and without incurring brokerage and other costs typically associated with market sales). The Consideration represents a premium of approximately 15.2% and 22.8% to the 30 and 90-trading day volume weighted average trading price, respectively, per Common Share as of July 25, 2025. The Consideration is also above the 52-week high closing price of the Common Shares as of that date.

- *Market Check*. The Arrangement is the result of a comprehensive and robust strategic review process led by the Company's financial advisor, RBC, which included outreach to a broad pool of potential buyers and resulted in multiple acquisition proposals, of which the proposal submitted by the Purchaser offered the highest value to Shareholders.

- *Formal Valuation*. BMO Capital Markets, the independent valuator retained by the Special Committee, delivered a formal valuation of the Common Shares in accordance with MI 61-101, concluding that, as of July 27, 2025, and based upon BMO Capital Markets' analysis and subject to the assumptions, limitations and qualifications set forth in BMO Capital Markets' written valuation (the full text of which is included in Appendix "E" of the Circular), the fair market value of the Common Shares is in the range of $44.00 to $50.00 per Common Share. The Consideration being offered to Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) under the Arrangement is in the upper half of BMO Capital Markets' valuation range.

- *Fairness Opinion*. The Special Committee and the Unconflicted Company Board received an opinion from BMO Capital Markets (the full text of which is included in Appendix "E" of the Circular) that, as of July 27, 2025, and subject to the assumptions, limitations and qualifications set forth therein, the Consideration to be received by Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to such Shareholders.

- *Role of the Special Committee*. The Arrangement is the result of extensive arm's length negotiations among representatives of the Company, the Founders, Birch Hill and Brookfield, with the oversight and participation of the Special Committee, advised by independent and highly qualified legal and financial advisors. The Special Committee had the authority to not recommend the Arrangement or any other transaction to the Unconflicted Company Board and to identify, evaluate, and make recommendations to the Board regarding any alternative transaction (including maintaining the status quo).

- *Arrangement Agreement Terms*. The terms and conditions of the Arrangement Agreement are, in the judgment of the Special Committee, following consultations with its independent legal and financial advisors, and in the judgement of the Unconflicted Company Board, following consultations with its legal and financial advisors, reasonable and were the result of extensive arm's length negotiations. In particular:

    - *Limited Conditions to Closing*. Completion of the Arrangement is subject to a limited number of conditions that the Special Committee and the Unconflicted Company Board believe are reasonable under the circumstances.

- *Ability to Respond to Superior Proposal and make a Change in Recommendation*. Under the Arrangement Agreement, the Unconflicted Company Board, in certain circumstances before Shareholder approval is obtained, is able to consider any unsolicited acquisition proposals, and where the Unconflicted Company Board determines that an acquisition proposal is a Superior Proposal may, subject to a right to match in favour of the Purchaser, make a Change in Recommendation. However, under the Arrangement Agreement, the Company is required to proceed with holding a Shareholder vote on the Arrangement and, accordingly, will not have the ability to terminate the Arrangement Agreement prior to such vote in order to enter into an agreement in respect of a Superior Proposal, even if the Unconflicted Company Board has made a Change in Recommendation.

- *Termination Fee and Reverse Termination Fee*. The Termination Fee of $50 million is only payable by the Company in limited circumstances and the Company is entitled to the Reverse Termination Fee of $75 million in certain circumstances if the Arrangement Agreement is terminated.

- *Committed Financing*. The Arrangement is not subject to any financing condition. The Purchaser has provided the Company with evidence, including the Debt Commitment Letter and the Equity Commitment Letters from the Sponsors, that the Purchaser has arranged for fully committed financing that is not subject to unusual conditions. In addition, the Company has the ability to seek specific performance as a third-party beneficiary of the Purchaser's rights to receive funding pursuant to the Equity Commitment Letters. The Sponsors, which the Special Committee and the Unconflicted Company Board believe are creditworthy entities, have guaranteed payment of the Reverse Termination Fee if and when payable under the Arrangement Agreement.

- *Support for the Arrangement*. The Founders, being Stephen Smith and Moray Tawse, collectively hold approximately 71.4% of the outstanding Common Shares and have entered into the Founder Voting Agreements to vote all of the Common Shares owned, directly or indirectly, or controlled by, them in favour of the Arrangement. The Founders will each sell approximately two-thirds of their Common Shares to the Purchaser pursuant to the Arrangement for the same Consideration per Common Share as all other Shareholders. In addition, each of the directors and executive officers of the Company (other than Messrs. Smith and Tawse), who collectively hold less than 1% of the outstanding Common Shares, have entered into customary voting agreements pursuant to which they have agreed, subject to the terms thereof, to vote all of their Common Shares in favour of the Arrangement.

- *Other Available Alternatives*. The Special Committee and the Unconflicted Company Board believe that the Arrangement is an attractive proposition for the Shareholders relative to the status quo and other alternatives reasonably available to the Company, taking into account the current and anticipated opportunities, risks and uncertainties associated with the Company's business, affairs, operations, industry and prospects, including the execution risks associated with its standalone strategic plan, the Company's competitive position, the current and anticipated macroeconomic and political environment and the current and anticipated risks with Canadian equity, mortgage finance and real estate

markets. In considering the Company's standalone strategic plan, the Special Committee and the Unconflicted Company Board concluded that the Consideration to be received by the Shareholders is more favourable to the Shareholders than the alternative of continuing to operate as a standalone public company and pursuing the Company's long-term strategic plan (taking into account the associated risks, rewards and uncertainties).

- *Payment and Declaration of Dividends*. Until the Effective Date, the Company will be permitted to and expects to continue paying its regular monthly cash dividend of $0.208334 per Common Share in a manner consistent with current practice.

- *BMO Capital Markets Compensation Arrangements*. The Special Committee and the Unconflicted Company Board considered the compensation arrangements of BMO Capital Markets, in particular that BMO Capital Markets was engaged to provide the Formal Valuation and Fairness Opinion on a fixed fee basis that was not contingent on the conclusions reached therein or the completion of the Arrangement.

- *Birch Hill's and Brookfield's Track Records.* The Purchaser is controlled by Birch Hill and Brookfield, each of which have demonstrated commitment, creditworthiness, access to financing and a consistent track record of completing transactions, all of which is indicative of their ability to complete the Arrangement, including their expected ability to arrange the requisite financings, which are subject to binding commitment letters.

- *Regulatory Approvals*. The Special Committee and the Unconflicted Company Board believe there is a strong likelihood that the transaction will receive the necessary Regulatory Approvals, including the Competition Act Approval, on terms and conditions satisfactory to the Company and the Purchaser and within the timeframe set out in the Arrangement Agreement.

- *Dissent Rights*. Registered Shareholders who do not vote their Common Shares in favour of the Arrangement are entitled to exercise Dissent Rights with respect to the Arrangement and receive "fair value" for their Common Shares as determined by the Court.

- *Other Stakeholders*. The Special Committee and the Unconflicted Company Board considered the impact of the Arrangement on all of the Company's stakeholders, including the Shareholders, Company Noteholders, holders of Preferred Shares, employees, clients and the communities in which the Company operates. In the view of the Special Committee and the Unconflicted Company Board, the terms of the Arrangement are equitable and fair to such stakeholders.

- *Court Approval*. The Arrangement will only become effective if approved by the Court, which will consider, among other things, the substantive and procedural fairness of the Arrangement. All interested persons are entitled to appear before the Court in connection with the Arrangement.

- *Shareholder Approvals Required*. The Arrangement will become effective only if it is approved by: (i) at least two-thirds (66 2/3%) of the votes cast by Shareholders (including the Rollover Shareholders) present or represented by proxy and entitled to vote at the

Meeting; and (ii) a simple majority (more than 50%) of the votes cast by Shareholders present or represented by proxy and entitled to vote at the Meeting, other than the Rollover Shareholders and any other person required to be excluded from such vote in the context of a "business combination" under MI 61-101.

In the course of its deliberations, the Special Committee and the Unconflicted Company Board also identified and considered a variety of risks and potentially negative factors in connection with the Arrangement, which the Special Committee and the Unconflicted Company Board concluded were outweighed by the positive substantive and procedural factors of the Arrangement described above, including, but not limited to:

- *Terms of Founder Voting Agreements*. The Founder Voting Agreements restrict the ability of the Founders to vote for, support or participate in a competing transaction for as long as the Arrangement Agreement is in force and for a period of four months following the termination of the Arrangement Agreement in certain circumstances, including as a result of the failure to obtain the Company Shareholder Approval. The irrevocable nature of the Founder Voting Agreements may preclude the Company from carrying out any alternative transaction on a timely basis, even if one were to become available on terms that are superior from a financial point of view to the Arrangement, as support from the Founders is required to complete any change of control transaction.

- *Prohibition on Solicitation of Additional Interest from Third Parties*. In addition to the impact of the Founder Voting Agreements on attracting additional interest from third parties, the limitations contained in the Arrangement Agreement on the Company's ability to solicit additional interest from third parties, the required parameters for an alternative transaction to qualify as a Superior Proposal, the inability of the Company to terminate the Arrangement Agreement for a Superior Proposal, the requirement for the Company to hold a Shareholder vote in respect of the Arrangement notwithstanding a Change in Recommendation by the Board, the Purchaser's right to match a Superior Proposal and the requirement to pay the Termination Fee may discourage other parties from offering to acquire the Common Shares.

- *Risk of Non-Completion*. The risks to the Company if the Arrangement is not completed in a timely manner or at all, including the costs to the Company in pursuing the Arrangement, the diversion of management's time and attention away from conducting the Company's business in the ordinary course and the potential impact on the Company's current business relationships. In the event that the Arrangement is not completed, the trading price of the Common Shares could decline significantly to levels at or below those experienced before announcement of the Arrangement.

- *Termination Rights and Termination Fee*. There are conditions to the Purchaser's obligation to complete the Arrangement and the Purchaser has the right to terminate the Arrangement Agreement under certain limited circumstances. If the Arrangement Agreement is terminated in certain circumstances, the Company may be required to pay the Termination Fee.

- *Conduct of Business*. There are restrictions imposed pursuant to the Arrangement Agreement on the conduct of the Company's business during the period between the execution of the Arrangement Agreement and the consummation of the Arrangement.

- *Regulatory Approvals*. The risks to the Company if the Competition Act Approval is not obtained on a timely basis, or at all.

- *Taxable Transaction*. The Arrangement will be a taxable transaction to Canadian-resident Shareholders and, as a result, Canadian-resident Shareholders, other than Shareholders exempt from tax or who hold their shares in non-taxable accounts, will generally be required to pay taxes on any gains that result from their receipt of the Consideration pursuant to the Arrangement. Shareholders who are residents in or otherwise subject to tax in jurisdictions other than Canada should consult their tax advisors with respect to the relevant tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions. Shareholders should read carefully the information in this Circular under "*Certain Canadian Federal Income Tax Considerations*", which provides further detail on the expected tax considerations of the Arrangement and qualifies the above.

The foregoing includes forward-looking information and readers are cautioned that actual results may vary. See "*Forward-Looking Information*" and "*Risk Factors*".

The foregoing summary of the information and factors considered by the Special Committee and the Unconflicted Company Board is not intended to be exhaustive of the factors considered in reaching their conclusions and making their recommendations, but includes a summary of the material information, factors and analysis considered in reaching such conclusions and making such recommendations. The recommendations of the Special Committee and the Unconflicted Company Board are based upon the totality of the information presented to and considered by them. In light of the numerous factors considered in connection with the evaluation of the Arrangement, neither the Special Committee nor the Unconflicted Company Board found it practicable to, and did not attempt to, quantify or otherwise assign relative weight to the various factors considered in reaching their decisions. In addition, individual members of the Special Committee and the Unconflicted Company Board may have given different weights to different factors. The respective conclusions and unanimous recommendations of the Special Committee and the Unconflicted Company Board were made after considering all of the information and factors involved.

Formal Valuation and Fairness Opinion

In determining that the Arrangement is in the best interests of the Company and that the Consideration to be received by the Shareholders (other than the Rollover Shareholders) is fair to such Shareholders, the Special Committee and the Unconflicted Company Board considered, among other things, the Formal Valuation and Fairness Opinion prepared by BMO Capital Markets.

The following summary of the Formal Valuation and Fairness Opinion is qualified in its entirety by, and should be read in conjunction with, the full text of the Formal Valuation and Fairness Opinion, which is attached as Appendix "E" to this Circular. The Formal Valuation

and Fairness Opinion is not a recommendation as to how any Shareholder should vote or act on any matter relating to the Arrangement. The full text of the Formal Valuation and Fairness Opinion describes, among other things, the assumptions made, procedures followed, information reviewed, matters considered and limitations and qualifications on the review undertaken by BMO Capital Markets in connection with the Formal Valuation and Fairness Opinion. Shareholders are urged to read the Formal Valuation and Fairness Opinion carefully and in their entirety.

The Formal Valuation and Fairness Opinion was provided for the sole use of the Special Committee and the Unconflicted Company Board and may not be used by any other person or relied upon by any other person other than the Special Committee, or used for any other purpose, without the express prior written consent of BMO Capital Markets.

Background

MI 61-101 prescribes circumstances where, unless an exemption is available, a reporting issuer proposing to carry out a business combination is required to obtain a formal valuation of the "affected securities" (as defined in MI 61-101) from a qualified independent valuator and to provide the holders of such affected securities with a summary of such valuation. For the purposes of the Arrangement, the Common Shares are considered "affected securities" within the meaning of MI 61-101.

The Special Committee determined that BMO Capital Markets was a qualified and independent valuator for purposes of MI 61-101. As a result, the Special Committee retained BMO Capital Markets to provide it with a formal valuation of the Common Shares in accordance with the requirements of MI 61-101.

Mandate and Professional Fees

BMO Capital Markets was first contacted about a potential engagement on January 17, 2025. BMO Capital Markets first met with the Special Committee on January 22, 2025 and was formally engaged by the Special Committee pursuant to an engagement letter effective March 14, 2025 (the "**Engagement Agreement**") to be the Special Committee's independent valuator and financial advisor. The Engagement Agreement provided for (i) the preparation by BMO Capital Markets of a formal valuation of the Common Shares in accordance with MI 61-101, and (ii) the delivery of an opinion as to whether the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to such Shareholders.

On July 27, 2025, at the request of the Special Committee, BMO Capital Markets orally delivered its valuation and fairness opinion, which was subsequently confirmed in writing. The Formal Valuation and Fairness Opinion provides the same conclusions and opinions, in writing, as of July 27, 2025.

The Company agreed to pay to BMO Capital Markets: (i) a fee of $750,000 in cash on the date that BMO Capital Markets presents its preliminary findings and valuation analysis to the Special Committee; and (ii) a fee of $950,000 in cash on the date BMO Capital Markets delivers to the Special Committee its final valuation report and written fairness opinion letter. The fees payable

to BMO Capital Markets under the Engagement Agreement are not contingent upon the conclusions reached by BMO Capital Markets in the Formal Valuation and Fairness Opinion, or upon the completion of the Arrangement or any other transaction.

In addition, BMO Capital Markets is to be reimbursed for its reasonable out-of-pocket expenses, including reasonable travel costs and the reasonable fees and documented disbursements of its external legal counsel (in the latter case, up to a maximum of $20,000), and is to be indemnified by the Company in respect of certain liabilities that might arise out of its engagement.

Credentials of BMO Capital Markets

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America, and globally, involving public companies in various industry sectors, including the financial services sector generally, and has extensive experience in preparing valuations and fairness opinions and in transactions similar to the Arrangement.

The Formal Valuation and Fairness Opinion and the issuance thereof was approved by an internal committee of BMO Capital Markets consisting of directors and officers experienced in mergers and acquisitions, divestitures, valuations and fairness opinions.

Independence of BMO Capital Markets

BMO Capital Markets acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had, and may in the future have, positions in the securities of (i) the Company, (ii) certain interested parties in the Arrangement, or (iii) any of their respective associated or affiliated entities and, from time to time, may have executed, or may execute, transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, BMO Capital Markets conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to (a) the Company, (b) certain interested parties in the Arrangement, (c) any of their respective associated or affiliated entities, or (d) the Arrangement. For the purposes of this section, "affiliated entity", "associated entity", "issuer insider" and "interested parties" shall have the meanings ascribed to them in MI 61-101.

In addition, in the ordinary course of its business, BMO Capital Markets or its controlling shareholder, Bank of Montreal, or any of their affiliated entities may have extended or may extend loans, or may have provided or may provide other financial services, to the interested parties or their respective associated or affiliated entities, including entities affiliated or associated with the Rollover Shareholders.

The Special Committee determined that BMO Capital Markets is independent of the Company, the Rollover Shareholders, their respective affiliated or associated entities and any other interested party in the Arrangement, as required by MI 61-101, based, in part, on representations made to it by BMO Capital Markets to the effect that neither it nor the Bank of Montreal nor any of their affiliated entities:

(a) is an associated or affiliated entity or issuer insider of an interested party;

(b) acts as an advisor to any interested party in respect of the Arrangement (other than BMO Capital Markets in its capacity as independent financial advisor and valuator retained by the Special Committee pursuant to the Engagement Agreement);

(c) is entitled to compensation that depends in whole or in part on an agreement, arrangement or understanding that gives such party a financial incentive in respect of the conclusions reached in the Formal Valuation and Fairness Opinion or the outcome of the Arrangement;

(d) is a manager or co-manager of a soliciting dealer group formed for the Arrangement (or a member of such a group performing services beyond the customary soliciting dealer's functions, or receiving more than the per-security or per-security-holder fees payable to the other members of the group);

(e) is the external auditor of the Company or an interested party;

(f) has a material financial interest in the completion of the Arrangement (and BMO Capital Markets confirms that the fees payable to it under the Engagement Agreement are not material to BMO Capital Markets);

(g) has a material financial interest in future business under an agreement, commitment or understanding involving the Company, any interested parties or any associated or affiliated entity of the Company or an interested party;

(h) is a lender of a material amount of indebtedness in a situation where any interested party is in financial difficulty, and the Arrangement would reasonably be expected to have the effect of materially enhancing the Bank of Montreal's position; or

(i) derives an amount of business or revenue from an interested party that is material to BMO Capital Markets or the Bank of Montreal or that would reasonably be expected to affect the independence of BMO Capital Markets in preparing the Formal Valuation and Fairness Opinion.

During the 24 months preceding the date that BMO Capital Markets was first contacted for the purpose of the Formal Valuation and Fairness Opinion, neither BMO Capital Markets nor any of its affiliated entities:

(a) has had a material involvement in an evaluation, appraisal or review of the financial condition of any interested party, or an associated or affiliated entity of an interested party;

(b) has had a material involvement in an evaluation, appraisal or review of the financial condition of the Company or an associated or affiliated entity of the Company, where the evaluation, appraisal or review was carried out at the direction or request of an interested party or paid for by an interested party;

(c) has acted as a lead or co-lead underwriter of a distribution of securities by an interested party, or acted as a lead or co-lead underwriter of a distribution of securities by the Company where such retention was carried out at the direction or request of an interested party or paid for by an interested party;

(d) has had a material financial interest in a transaction involving an interested party or an associated or affiliated entity of an interested party; or

(e) has had a material financial interest in a transaction involving the Company or an associated or affiliated entity of the Company.

Prior to BMO Capital Markets' engagement, BMO Capital Markets disclosed to the Special Committee the following relationships with First National, the Rollover Shareholders and their affiliates, none of which are or were material to BMO Capital Markets or the Bank of Montreal:

(a) BMO Capital Markets and the Bank of Montreal have certain normal course business dealings with First National and the Rollover Shareholders and their affiliates. These include:

(i) the Bank of Montreal purchasing a small volume of First National mortgages;

(ii) the Bank of Montreal outsourcing a limited amount of its retail mortgage underwriting to First National; and

(iii) BMO Capital Markets (together with other banks) providing securitization and recourse lending support to First National and Fairstone Bank (an entity that is controlled by Stephen Smith);

(b) in the 24 months preceding the date that BMO Capital Markets was first contacted for the purpose of this engagement,

(i) BMO Capital Markets was a bookrunner on (A) one deposit note issued by Home Capital (an entity that was controlled by Stephen Smith) and (B) multiple deposit notes and a limited recourse capital note issued by Equitable Bank (a company in which Stephen Smith has a meaningful minority equity ownership position); and

(ii) BMO Capital Markets advised Home Capital on its sale to Smith Financial Corporation (an entity that is controlled by Stephen Smith) and earned an advisory fee in connection with that engagement;

(c) the Bank of Montreal's wealth management division has a lending relationship with Stephen Smith; and

(d) the Bank of Montreal has a lending relationship with Fairstone Bank.

BMO Capital Markets does not believe that these relationships affect its independence as defined by MI 61-101.

In selecting BMO Capital Markets, the Special Committee carefully reviewed and considered BMO Capital Markets' prior business with certain associates and affiliates of the Rollover Shareholders, Birch Hill and Brookfield and concluded that such prior business was not material and would not impact BMO Capital Markets' independence for the purposes of MI 61-101 or the ability of BMO Capital Markets to exercise independent judgment in advising the Special Committee. In addition, the compensation of BMO Capital Markets under the Engagement Letter does not depend in whole or in part on the conclusions reached in the Formal Valuation and Fairness Opinion or the outcome of the Arrangement, and BMO Capital Markets has confirmed that the fees payable to it pursuant to the Engagement Letter are not, in the aggregate, material to BMO Capital Markets.

Scope of Review and Assumptions and Limitations

The scope of review, matters considered, reviews undertaken and assumptions, limitations, restrictions and other qualifications of the Formal Valuation and Fairness Opinion are set forth in the Formal Valuation and Fairness Opinion, the full text of which is attached as Appendix E to this Circular.

In particular, BMO Capital Markets has relied upon, and has assumed the financial and other information, data, advice, opinions and representations and other material provided orally by, or in the presence of an officer or employee of the Company (including those representations contained in a certificate of the (i) President and Chief Executive Officer and (ii) Chief Financial Officer of the Company delivered to BMO Capital Markets) or any of its or their respective representatives, including information, data, and other materials filed on SEDAR+ are complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act* (Ontario)). BMO Capital Markets has assumed that the forecasts, projections, estimates and budgets of the Company provided to or discussed with BMO Capital Markets and used in its analyses, including the Management Forecast, have been reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of the Company as to the matters covered thereby, and are not, in the reasonable belief of management of the Company, misleading in any material respect. The Formal Valuation and Fairness Opinion is conditional upon such accuracy, completeness and fair presentation, and BMO Capital Markets did not attempt to independently verify the accuracy or completeness of any of the information described above and except for the Formal Valuation and Fairness Opinion, BMO Capital Markets has not prepared or been furnished with a formal valuation or appraisal of the assets or liabilities (contingent, derivative, off-balance sheet or otherwise) or securities of the Company or any of its affiliates, and the Formal Valuation and Fairness Opinion should not be construed as such.

Approach to Value

The formal valuation is based upon techniques and assumptions that BMO Capital Markets considers appropriate in the circumstances for the purposes of arriving at a range of the fair market value of the Common Shares including (i) a comparable trading analysis; (ii) a precedent transactions analysis and (iii) a discounted cash flow analysis. The fair market value of the Common Shares is expressed on a per Common Share basis in Canadian dollars.

Approach to Fairness

In considering the fairness, from a financial point of view, of the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement, BMO Capital Markets reviewed, considered and relied upon or carried out, among other things, the following:

- a comparison of the Consideration offered pursuant to the Arrangement to the fair market value range of the Common Shares determined in the formal valuation; and
- such other information, investigations and analysis as BMO Capital Markets, in the exercise of its professional judgment, considered necessary or appropriate in the circumstances.

Valuation Conclusion

Based upon and subject to the assumptions, limitations and qualifications set forth in the Formal Valuation and Fairness Opinion, BMO Capital Markets was of the opinion that, as of July 27, 2025, the fair market value of the Common Shares was in the range of $44.00 to $50.00 per Common Share.

Fairness Opinion Conclusion

Based upon and subject to the assumptions, limitations and qualifications set forth in the Formal Valuation and Fairness Opinion, BMO Capital Markets was of the opinion that, as of July 27, 2025, the Consideration to be received pursuant to the Arrangement by the Shareholders (other than the Rollover Shareholders) is fair, from a financial point of view, to such Shareholders.

Sources of Funds for the Arrangement

As of August 21, 2025, 59,967,429 Common Shares are issued and outstanding. Based on the purchase price of $48.00 per Common Share, the aggregate Consideration payable for the outstanding Common Shares (excluding 14,080,000 Common Shares held by the Rollover Shareholders) to be acquired by the Purchaser pursuant to the Plan of Arrangement is approximately $2.2 billion. In addition, as of August 21, 2025, Company Notes in the aggregate principal amount of $600 million are issued and outstanding and will be redeemed pursuant to the Plan of Arrangement to the extent outstanding at the Effective Time. Pursuant to the Arrangement Agreement, the Purchaser will deposit sufficient funds with the Depositary to satisfy the aggregate Consideration payable to Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares and any Dissenting Shareholders) and the aggregate Company Note Consideration pursuant to the Plan of Arrangement.

The Purchaser intends to fund the payment contemplated under the Arrangement Agreement through (i) the Debt Financing provided by the Lenders in accordance with the terms of the Debt Commitment Letter and (ii) the Equity Financing provided by the Sponsors in accordance with the terms of the Equity Commitment Letters.

Debt Commitment Letter

On July 27, 2025, Canadian Imperial Bank of Commerce, Royal Bank of Canada, The Toronto-Dominion Bank, The Bank of Nova Scotia and National Bank of Canada (collectively, the "**Lenders**") delivered the Debt Commitment Letter to the Purchaser, pursuant to which the Lenders have committed to provide, subject to the terms and conditions therein, a total of $3.35 billion in unsecured credit facilities (the "**Debt Financing**") comprised of: (i) a revolving credit facility of up to $1.45 billion and a term loan facility of up to $400 million (together, the "**Acquisition Facilities**") to the Purchaser, as the borrower, to fund the payment of the Consideration and the Company Note Consideration pursuant to the Arrangement, which will be guaranteed by the Company as of the closing of the Arrangement, and (ii) a $1.5 billion back-stop credit facility (the "**Back-Stop Credit Facility**") available to replace or refinance amounts outstanding under First National Financial LP's existing second amended and restated credit agreement dated as of May 26, 2023, as amended by a first amending agreement dated as of April 23, 2024 and a second amending agreement dated as of October 25, 2024, to the extent that certain amendments that are required in connection with the Arrangement cannot be obtained.

Under the Debt Commitment Letter, the obligations of the Lenders to make available the Acquisition Facilities and the Back-Stop Credit Facility to fund the Debt Financing are subject to customary limited conditions, which include the following: (a) since the date of the Arrangement Agreement, there shall not have occurred any Material Adverse Effect which is continuing as of the Closing; (b) the negotiation, execution and delivery on or before the earlier of the Effective Date and the Outside Date of the credit agreements governing the Acquisition Facilities and the Back-Stop Credit Facility on the terms and conditions set out in the Debt Commitment Letter; and (c) other conditions that are customary in a transaction of this nature. The Lenders' commitments under the Debt Commitment Letter will terminate upon the first to occur of: (x) the Purchaser providing written notice to each of the Lenders of the termination of the Debt Commitment Letter; (y) the termination of the Arrangement Agreement; and (z) July 27, 2026. Among other matters, the Arrangement Agreement requires the Purchaser to, and to cause its affiliates to, use reasonable best efforts to maintain in effect the Debt Commitment Letter until the transactions contemplated by the Arrangement Agreement are consummated or the Arrangement Agreement is otherwise terminated.

Equity Commitment Letters

On July 27, 2025, the Sponsors delivered the Equity Commitment Letters to the Purchaser, pursuant to which the Sponsors have agreed to purchase, or cause to be purchased, directly or indirectly, equity interests of, or loan or otherwise provide funds to, the Purchaser, prior to the Effective Time when required pursuant to the Arrangement Agreement, for the purpose of enabling the Purchaser, together with the funds provided under the Debt Financing, to pay the aggregate Consideration and Company Note Consideration. Under the terms of the Equity Commitment Letters, the aggregate amount payable by the Sponsors will not exceed $1.1 billion or such lesser amount that, together with the funds provided under the Debt Financing, is sufficient to fund the Purchaser's obligation to pay the aggregate Consideration and Company Note Consideration.

Under the Equity Commitment Letters, the obligations of the Sponsors to fund the Equity Financing are subject to, among other things: (a) the satisfaction in full or valid waiver, on or before the Closing, of all of the conditions precedent to the obligations of Purchaser set forth in sections 6.1 and 6.2 of the Arrangement Agreement (other than those conditions precedent that by their nature are to be satisfied at the Closing, but subject to the concurrent satisfaction or valid waiver of such conditions precedent at the Closing); (b) the concurrent or substantially concurrent receipt by the Purchaser of the net cash proceeds of the Debt Financing (on the terms and subject to the conditions described in the Debt Commitment Letter); and (c) the concurrent or substantially concurrent receipt by the Purchaser of the amount required to be funded pursuant to the other Equity Commitment Letter.

No Sponsor has any obligation or liability under the other Equity Commitment Letter. Under the Equity Commitment Letter delivered by Birch Hill, the equity commitment is being made by more than one Birch Hill affiliated Sponsor, and the commitments of each Sponsor thereunder are several, and not joint, based upon their respective *pro rata* percentages of the aggregate Birch Hill commitment.

The obligations of the Sponsors to fund the Equity Financing will automatically terminate upon the earliest of: (a) the valid termination of the Arrangement Agreement in accordance with its terms; (b) the Closing; (c) the termination of the other Equity Commitment Letter in accordance with its terms; and (d) the commencement, directly or indirectly, by the Company or any of its affiliates or any of its or their respective Representatives of any proceeding asserting a claim against any Sponsor or any of their related parties in connection with the Equity Commitment Letter, the Arrangement Agreement, the Limited Guarantee, the Debt Commitment Letter or in connection with the transactions contemplated thereby, other than claims expressly permitted under the terms of the Equity Commitment Letter. Among other matters, the Arrangement Agreement requires the Purchaser to, and to cause its affiliates to, use reasonable best efforts to maintain in effect the Equity Commitment Letters until the transactions contemplated by the Arrangement Agreement are consummated or the Arrangement Agreement is otherwise terminated.

Limited Guarantees

Concurrent with the delivery of the Equity Commitment Letters, each of the Sponsors also provided an absolute, unconditional and irrevocable guarantee (each, a "**Limited Guarantee**"), in favour of the Company, of the payment and performance of a portion of the Purchaser's obligation to pay to the Company (a) the Reverse Termination Fee, if, when, and as due, pursuant to section 8.2(4) of the Arrangement Agreement; (b) certain reimbursement obligations, if, when, and as due pursuant to section 4.7(3) and section 4.8(2) of the Arrangement Agreement; (c) the amounts, if, when, and as due, pursuant to section 8.2(8) of the Arrangement Agreement; and (d) the amounts, if, when, and as due, pursuant to the indemnification obligations of the Purchaser pursuant to section 4.7(3) and section 4.8(2)(b) of the Arrangement Agreement (collectively, the "**Guaranteed Obligation**"); provided that the maximum aggregate liability of the Sponsors, pursuant to all Limited Guarantees, in the aggregate, shall not exceed $78,750,000 (the "**Maximum Guarantor Amount**") in the individual maximum amounts and *pro rata* percentages set out in each Limited Guarantee. Each Limited Guarantee will automatically terminate upon the earliest of: (i) the Closing; (ii) the indefeasible payment of such Sponsor's Maximum Guarantor Amount; (iii) the

termination of the Arrangement Agreement in accordance with its terms in any circumstances other than pursuant to which the Purchaser would be required pursuant to the terms and subject to the conditions of the Arrangement Agreement to make any payment of any Guaranteed Obligation; (iv) the date that is 120 days after the termination of the Arrangement Agreement if the Arrangement Agreement is terminated in any of the circumstances pursuant to which Purchaser would be required pursuant to the terms and subject to the conditions of the Arrangement Agreement to make a payment of the Guaranteed Obligation, if the Company made a claim in writing and commenced an action during such 120 day period against the Sponsor delivering the Limited Guarantee, pursuant to the conditions of the Limited Guarantee, in which case the Limited Guarantee will survive solely with respect to amounts claimed or alleged to be so owing; and (e) the termination of the Limited Guarantee by mutual written agreement of the Sponsors and the Company.

Voting Agreements

The following is a summary of the material provisions of the Voting Agreements and is subject to, and qualified in its entirety by, the full text of the forms thereof, copies of which are attached to the Arrangement Agreement as Schedule F. A copy of the Arrangement Agreement is available under the Company's profile on SEDAR+ at www.sedarplus.ca. We encourage you to read the forms of Founder Voting Agreement and Voting Agreement in their entirety.

Founder Voting Agreements

The Founders have each entered into the Founder Voting Agreements with the Purchaser. In aggregate, as of the Record Date, 42,813,710 Common Shares are subject to the Founder Voting Agreements, representing approximately 71.4% of the issued and outstanding Common Shares. Under the Founder Voting Agreements, each Founder has agreed, subject to the terms thereof, among other things:

(a) to vote or cause to be voted such Common Shares that he owns, or has the power to control or direct, for (i) the approval of the Arrangement and each of the other transactions contemplated by the Arrangement Agreement, (ii) any proposal to adjourn or postpone the Meeting if such adjournment or postponement is proposed pursuant to and in compliance with the Arrangement Agreement and (iii) any other matter necessary for the consummation of the Arrangement or any other transaction contemplated by the Arrangement Agreement;

(b) to vote or cause to be voted such Common Shares that he owns, or has the power to control or direct, against (i) any Acquisition Proposal and any action, proposal, transaction, agreement or matter that could reasonably be expected to enable, encourage, support, promote, lead to or otherwise facilitate an Acquisition Proposal, and (ii) any action, proposal, transaction, agreement or matter that could reasonably be expected to (A) result in a breach of any covenant, representation or warranty or any other obligation or agreement of the Company under the Arrangement Agreement or of each Founder under the applicable Founder Voting Agreement or the Rollover Agreement, (B) impede, interfere with, delay, discourage, prevent, adversely affect, inhibit or frustrate the timely consummation

of the Arrangement, any other transaction contemplated by the Arrangement Agreement or the fulfillment of the conditions to the consummation of the Arrangement, or (C) change in any manner the voting rights of any class of securities of the Company (including any amendments to the Company's or any of its Subsidiaries' Constating Documents);

(c) except as expressly permitted by the Founder Voting Agreement, not to, nor permit any of its related parties to, directly or indirectly, (i) sell, transfer, gift, assign, grant a participation interest in, option, pledge, hypothecate, grant a security or voting interest in or otherwise convey or encumber (each a "**Transfer**"), or enter into any agreement, option or other arrangement or understanding with respect to the Transfer of Common Shares that he owns, or has the power to control or direct, to any Person other than to the Purchaser pursuant to the Arrangement Agreement or the Transfer of the Rollover Shares to Regal Holdings LP pursuant to the applicable Rollover Agreement, or (ii) grant any proxy, power of attorney, or voting instructions, deposit any Common Shares that he owns, or has the power to control or direct into any voting trust or enter into any voting or pooling agreement;

(d) to and cause his related parties and his and their respective Representatives to, use his and their commercially reasonable efforts to assist the Company to successfully complete the Arrangement and the other transactions contemplated by the Arrangement Agreement and to oppose any of the matters it is required to vote against (as described above);

(e) not to, nor permit his related parties to, directly or indirectly, exercise any rights of appraisal or rights of dissent provided under any applicable Law or otherwise in connection with the Arrangement or the other transactions contemplated by the Arrangement Agreement;

(f) to promptly notify the Purchaser upon acquiring or becoming the legal or beneficial owner of, or acquiring direct or indirect control or direction over, any additional Common Shares, Preferred Shares or other voting or equity securities in the capital of the Company after the date of the Founder Voting Agreement (which securities shall be deemed to be subject to the terms and conditions of the Founder Voting Agreement);

(g) not to, nor permit his related parties or other affiliates to, directly or indirectly through any Representative or otherwise:

(i) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of any confidential information, properties, facilities, technology, books or records of the Company or any Subsidiary) any inquiry, proposal or offer (whether public or otherwise) that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal or any of the matters it is required to vote against (as described above);

(ii) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than with the Purchaser, the Sponsors

or their respective affiliates or Representatives) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal or any of the matters it is required to vote against (as described above);

(iii) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, any Acquisition Proposal;

(iv) accept or enter into, or publicly propose to accept or enter into, any agreement, understanding or arrangement with any Person (other than the Purchaser, the Sponsors or their respective affiliates) in respect of an Acquisition Proposal; or

(v) join in the requisition of any meeting of the Shareholders for the purpose of considering, or solicit any proxies or votes in favour of, any resolution related to any Acquisition Proposal or any of the matters it is required to vote against (as described above);

(h) to and to cause his related parties and other affiliates, and his and their respective Representatives to, immediately cease and terminate any solicitation, encouragement, discussion, negotiation or other activities with any Person (other than with the Purchaser, the Sponsors and their respective affiliates and Representatives) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal or any of the matters it is required to vote against (as described above) (whether or not initiated by each Founder); and

(i) not to, nor permit any of his related parties or other affiliates or his and their respective Representatives to, take any other action of any kind, directly or indirectly, which could, individually or in the aggregate, reasonably be expected to reduce the success of, or delay or interfere with, the completion of the Arrangement or any of the transactions contemplated by the Arrangement Agreement.

The Founder Voting Agreements will automatically terminate upon the earlier of (a) the Effective Time, (b) four months following the date the Arrangement Agreement is validly terminated (i) by either the Company or the Purchaser if the Arrangement Resolution is not passed by Shareholders at the Meeting or (ii) by the Purchaser pursuant to any of the Purchaser-exclusive termination rights under the Arrangement Agreement and (c) the date the Arrangement Agreement is validly terminated for any other reason. The Founder Voting Agreements may also be terminated prior to the Effective Time (x) at any time by written agreement of the Purchaser and such Founder and (y) by such Founder in certain circumstances where the Purchaser has breached its obligations under the Founder Voting Agreements or the Arrangement Agreement.

Directors and Executive Officers

Each of the directors and executive officers of the Company (other than Stephen Smith and Moray Tawse) (the "**Supporting D&Os**") have entered into the Voting Agreements with the Purchaser. In aggregate, as of the Record Date, 85,578 Common Shares are subject to the Voting Agreements, representing less than 1% of the issued and outstanding Common Shares. Under the Voting Agreements, each of the Supporting D&Os have agreed, subject to the terms thereof, among other things:

(a) to vote or cause to be voted such Common Shares that he or she owns, or has the power to control or direct, (i) for the approval of the Arrangement and any other matter necessary for the consummation of the transactions contemplated by the Arrangement Agreement and (ii) against approval of any action, proposal, transaction or matter which could reasonably be expected to adversely affect, prevent, materially delay or interfere with the completion of the Arrangement or any other transaction contemplated by the Arrangement Agreement; and

(b) except as expressly permitted by the Voting Agreement, not to, directly or indirectly, without the Purchaser's prior written consent: (i) Transfer or enter into any agreement, option or other arrangement with respect to the Transfer of, any of its Common Shares to any Person or (ii) grant any proxy, power of attorney, or voting instructions, deposit any of the Common Shares into any voting trust or enter into any voting or pooling agreement, whether by contract, law or otherwise, with respect to Common Shares.

The Voting Agreements automatically terminate upon the earliest of: (a) the Effective Time; (b) the date on which the Purchaser, without consent of such Supporting D&O, decreases the Consideration or otherwise varies the terms of the Arrangement Agreement in a manner that is materially adverse to such Supporting D&O; (c) the date on which the Board makes a Change in Recommendation in accordance with the Arrangement Agreement; and (d) the termination of the Arrangement Agreement in accordance with its terms.

Implementation of the Arrangement

The Arrangement will be implemented by way of a Court-approved plan of arrangement under the OBCA pursuant to the terms of the Arrangement Agreement. The following procedural steps must be taken in order for the Arrangement to become effective:

(a) the Arrangement Resolution must be approved and adopted by the Shareholders at the Meeting in accordance with the Interim Order;

(b) the Court must grant the Final Order approving the Arrangement;

(c) all conditions precedent to the Arrangement, as set out in the Arrangement Agreement, must be satisfied, or waived (if permitted) by the appropriate Party; and

(d) the Articles of Arrangement, prepared in the form prescribed by the OBCA and signed by an authorized director or officer of the Company, must be filed with the Director and a Certificate of Arrangement issued in relation thereto.

Pursuant to the Plan of Arrangement, commencing at the Effective Time, each of the following events shall occur and shall be deemed to occur consecutively in the following order, two minutes apart, except where noted, without any further authorization, act or formality:

(a) each Rollover Share held by Regal Holdings LP immediately prior to the Effective Time shall, without any further action by or on behalf of Regal Holdings LP, be assigned and transferred by Regal Holdings LP to Regal Topco in exchange for consideration consisting of one (1) Regal Topco Share (the "**Regal Holdings LP Rollover Consideration**"), and:

(i) Regal Holdings LP shall cease to be the holder of such Rollover Shares and to have any rights as a holder of such Rollover Shares other than the right to receive the Regal Holdings LP Rollover Consideration in accordance with the Plan of Arrangement;

(ii) Regal Holdings LP shall be removed from the register of the Common Shares maintained by or on behalf of the Company; and

(iii) Regal Topco shall be the transferee of such Rollover Shares (free and clear of all Liens) and shall be entered in the register of the Common Shares maintained by or on behalf of the Company;

(b) each Rollover Share held by Regal Topco shall, without any further action by or on behalf of Regal Topco, be assigned and transferred by Regal Topco to the Purchaser in exchange for consideration consisting of one (1) Purchaser Share (the "**Regal Topco Rollover Consideration**"), and:

(i) Regal Topco shall cease to be the holder of such Rollover Shares and to have any rights as a holder of such Rollover Shares other than the right to receive the Regal Topco Rollover Consideration in accordance with the Plan of Arrangement;

(ii) Regal Topco shall be removed from the register of the Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be the transferee of such Rollover Shares (free and clear of all Liens) and shall be entered in the register of the Common Shares maintained by or on behalf of the Company;

(c) each Company Note outstanding immediately prior to the Effective Time shall, notwithstanding the terms of the Company Notes Indenture, and without any further action by or on behalf of a holder of Company Notes, be redeemed by the Company in exchange for the Company Note Consideration, and:

(i) the holders of such Company Notes shall cease to be the holders of such Company Notes and to have any rights as holders of such Company Notes other than the right to be paid the Company Note Consideration by the Company in accordance with the Plan of Arrangement;

(ii) such holders' names shall be removed from the register of the Company Notes maintained by or on behalf of the Company and the Indenture Trustee; and

(iii) such Company Notes shall be cancelled and cease to be outstanding;

(d) each of the Common Shares held by Dissenting Shareholders in respect of which Dissent Rights have been validly exercised shall be assigned and transferred without any further act or formality to the Purchaser in consideration for a debt claim against the Purchaser for the amount determined under the Plan of Arrangement, and:

(i) such Dissenting Shareholders shall cease to be the holders of such Common Shares and to have any rights as holders of such Common Shares other than the right to be paid fair value by the Purchaser for such Common Shares as set out in the Plan of Arrangement;

(ii) such Dissenting Shareholders' names shall be removed as the holders of such Common Shares from the register of Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be the transferee of such Common Shares free and clear of all Liens, and shall be entered in the register of Common Shares maintained by or on behalf of the Company; and

(e) concurrently with the step (d) above, each Common Share outstanding immediately prior to the Effective Time, other than Common Shares assigned and transferred to the Purchaser pursuant to steps (b) and (d) above, shall, without any further action by or on behalf of a holder of Common Shares, be assigned and transferred by the holder thereof to the Purchaser in exchange for the Consideration, and:

(i) the holders of such Common Shares shall cease to be the holders of such Common Shares and to have any rights as holders of such Common Shares other than the right to be paid the Consideration by the Purchaser in accordance with the Plan of Arrangement;

(ii) such holders' names shall be removed from the register of the Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be the transferee of such Common Shares (free and clear of all Liens) and shall be entered in the register of the Common Shares maintained by or on behalf of the Company.

This description of the steps is qualified in its entirety by the full text of the Plan of Arrangement attached as Appendix "B" to this Circular.

Effective Date

The Arrangement will become effective on the date shown on the Certificate of Arrangement to be endorsed by the Director on the Articles of Arrangement giving effect to the Arrangement in accordance with the OBCA.

Treatment of the Company Notes

The following senior unsecured notes issued by the Company are currently outstanding: (i), $200,000,000 aggregate principal amount of 2.96% Series 3 Senior Unsecured Notes (the "**Series 3 Notes**") due November 17, 2025 (ii) $200,000,000 aggregate principal amount of 7.293% Series 4 Senior Unsecured Notes (the "**Series 4 Notes**") due September 8, 2026 and (iii) $200,000,000 aggregate principal amount of 6.261% Series 5 Senior Unsecured Notes (the "**Series 5 Notes**") due November 1, 2027.

Pursuant to the Arrangement, all of the Company Notes will be redeemed by the Company to the extent outstanding at the Effective Time. Each Company Noteholder will receive the Company Note Consideration, being a cash amount equal to the applicable redemption price, plus accrued and unpaid interest, as of the Effective Date in accordance with the terms of the Company Notes. See "*The Arrangement – Implementation of the Arrangement*".

Notwithstanding the terms of the Company Notes Indenture, the Company intends to rely on the delivery of this Circular as notice to the Company Noteholders that the Company Notes will be redeemed as part of the Arrangement on the effective date thereof.

The redemption price payable for each series of Company Notes outstanding at the Effective Time pursuant to the Arrangement, as calculated in accordance with the Company Notes Indenture, is set out below:

Series of Company Notes	Redemption Price
Series 3 Notes	*If the Arrangement is effective prior to October 17, 2025:* the greater of (a) the present value of all mandatory payments of principal and interest on a Series 3 Note using a discount rate equal to the sum of (i) the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) three Business Days prior to the date fixed for redemption and (ii) 63.5 basis points and (b) par, together with accrued and unpaid interest up to but excluding the Effective Date. *If the Arrangement is effective on or after October 17, 2025:* par, together with accrued and unpaid interest up to but excluding the Effective Date.
Series 4 Notes	The greater of (a) the present value of all mandatory payments of principal and interest on a Series 4 Note using a discount rate equal to the sum of (i) the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) three Business Days prior to the date fixed for redemption and (ii) 75 basis points and (b) par, together with accrued and unpaid interest up to but excluding the Effective Date.

Series 5 Notes	The greater of (a) the present value of all mandatory payments of principal and interest on a Series 5 Note using a discount rate equal to the sum of (i) the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) three Business Days prior to the date fixed for redemption and (ii) 65 basis points and (b) par, together with accrued and unpaid interest up to but excluding the Effective Date.

The Series 3 Notes will mature on November 17, 2025 and will be repaid by the Company in the ordinary course on or before such date if closing of the Arrangement has not yet occurred. As of the date hereof, all Company Notes are registered in the name of CDS. If you are a non-registered Company Noteholder, you will receive your payment through your account with your intermediary that holds the Company Notes on your behalf. See "*Arrangement Mechanics – Letters of Transmittal*".

Interests of Certain Persons in the Arrangement

In considering the recommendations of the Special Committee and the Unconflicted Company Board with respect to the Arrangement, Shareholders should be aware that certain directors and executive officers of the Company have interests in connection with the Arrangement as described below that may be in addition to, or separate from, those of Shareholders generally in connection with the Arrangement. The Special Committee and the Unconflicted Company Board are aware of these interests and considered them along with other matters described herein.

Other than the interests and benefits described below, none of the directors or executive officers of the Company or, to the knowledge of the directors and executive officers of the Company, any of their respective associates or affiliates, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise in any matter to be acted upon in connection with the Arrangement or that would materially affect the Arrangement.

Interest of Rollover Shareholders in the Arrangement

The Arrangement is supported by the Rollover Shareholders, namely the Founders and certain of their affiliates and associates, which, collectively, beneficially own or exercise control or direction over an aggregate of 42,813,710 Common Shares, representing in the aggregate approximately 71.4% of the outstanding Common Shares. The Rollover Shareholders will each sell approximately two-thirds of their current Common Shares for the same cash Consideration as other Shareholders and have agreed pursuant to the Rollover Agreements to exchange 14,080,000 of their Common Shares, being the Rollover Shares, for indirect interests in the Purchaser, at the same value per Rollover Share as the Consideration payable under the Arrangement, such that each Founder will maintain an approximate 19% indirect interest in the Company as part of the Arrangement.

Intentions of Directors and Executive Officers

As of August 21, 2025, the directors and executive officers of the Company (other than Stephen Smith and Moray Tawse) beneficially owned, directly or indirectly, or exercised control or direction over, in the aggregate, 85,578 Common Shares, which represented less than 1% of the issued and outstanding Common Shares. Each of the directors and executive officers of the Company have agreed, pursuant to the Voting Agreements, and subject to the terms thereof, to

vote their Common Shares in favour of the Arrangement Resolution. See "*The Arrangement – Voting Agreements*".

All of the Common Shares held by the directors and executive officers (other than the Rollover Shares held by the Rollover Shareholders) will be treated in the same fashion under the Arrangement as the Common Shares held by all other Shareholders.

The following table sets out the names and positions of the directors and executive officers of the Company as of August 21, 2025 and anyone who has been a director or executive officer since the beginning of the Company's last financial year, the number of Common Shares owned or over which control or direction was exercised by each such individual and, where known after reasonable inquiry, by their respective associates or affiliates and the consideration to be received for such Common Shares pursuant to the Arrangement.

Name and Position or Former Position with the Company	Common Shares (excluding Rollover Shares)	Estimated amount of Consideration to be received in respect of Common Shares (excluding Rollover Shares)
Stephen Smith *Director and Executive Chairman*	15,369,355	$737,729,040
Moray Tawse *Director, Senior Executive Vice President and Secretary*	13,364,355	$641,489,040
Jason Ellis *Director and President and Chief Executive Officer*	2,000	$96,000
Duncan Jackman *Director*	11,000	$528,000
Robert Mitchell *Director*	6,640	$318,720
Barbara Palk *Director*	3,000	$144,000
Robert Pearce *Director*	7,500	$360,000
Diane Sinhuber *Director*	2,000	$96,000
Martine Irman *Director*	10,000	$480,000
Robert Inglis *Chief Financial Officer*	7,633	$366,384
Jeremy Wedgbury *Executive Vice President, Commercial Mortgages*	5,455	$261,840
Hilda Wong *Executive Vice President and General Counsel*	300	$14,400
Thomas Kim *Executive Vice President and Managing Director, Capital Markets*	--	--
Scott McKenzie *Executive Vice President, Residential Mortgages*	30,050	$1,442,400

Change of Control Benefits

The employment agreements for the following executive officers of the Company provide for the following payments after the occurrence of a change of control of the Company:

(a) *Jason Ellis, Chief Executive Officer*. If a change of control occurs, Mr. Ellis will be entitled to receive a change of control bonus equal to two (2) times his base salary plus the average performance bonus paid or payable for the immediately preceding two years, payable over four (4) equal quarterly instalments following the change of control, provided that Mr. Ellis is actively employed with the Company on the relevant payment dates. In the case of a termination without cause, any unpaid portion of the change of control payment, if any, will be accelerated. The change of control payment is in addition to any other entitlement arising from termination of such Mr. Ellis' employment.

(b) *Robert Inglis, Chief Financial Officer*. If a change of control occurs, Mr. Inglis will be entitled to receive a change of control bonus equal to two (2) times his base salary plus the average performance bonus paid or payable for the immediately preceding two years, payable over eight (8) equal quarterly instalments following the change of control, provided that Mr. Inglis is actively employed with the Company on the relevant payment dates. In the case of a termination without cause, any unpaid portion of the change of control payment, if any, will be accelerated. The change of control payment is in addition to any other entitlement arising from termination of such Mr. Inglis' employment.

(c) *Jeremy Wedgbury, Executive Vice President, Commercial Mortgages*. If a change of control occurs, Mr. Wedgbury will be entitled to receive a change of control bonus equal to two (2) times his base salary plus the average performance bonus paid or payable for the immediately preceding two years, payable over eight (8) equal quarterly instalments following the change of control, provided that Mr. Wedgbury is actively employed with the Company on the relevant payment dates. In the case of a termination without cause, any unpaid portion of the change of control payment, if any, will be accelerated. The change of control payment is in addition to any other entitlement arising from termination of such Mr. Wedgbury's employment.

(d) *Thomas Kim, Executive Vice President and Managing Director, Capital Markets*. If a change of control occurs, Mr. Kim will be entitled to receive a change of control bonus equal to two (2) times his base salary plus the average performance bonus paid or payable for the immediately preceding two years, payable over eight (8) equal quarterly instalments following the change of control, provided that Mr. Kim is actively employed with the Company on the relevant payment dates. In the case of a termination without cause, any unpaid portion of the change of control payment, if any, will be accelerated. The change of control payment is in addition to any other entitlement arising from termination of such Mr. Kim's employment.

(e) *Scott McKenzie, Executive Vice President, Residential Mortgages*. If a change of control occurs, Mr. McKenzie will be entitled to receive a change of control bonus equal to two (2) times his base salary plus the average performance bonus paid or payable for the immediately preceding two years, payable over eight (8) equal quarterly instalments following the change of control. In the case of a termination without cause during the six-month period prior to a change of control, Mr. McKenzie will remain eligible for the change of control payment and a lump sum payment will be made within 60 days. The change of control payment is in addition to any other entitlement arising from termination of such Mr. McKenzie's employment.

(f) *Hilda Wong, Executive Vice President and General Counsel*. If a change of control occurs, Ms. Wong will be entitled to receive a change of control bonus equal to two (2) times her base salary plus the average performance bonus paid or payable for the immediately preceding two years, payable over eight (8) equal quarterly instalments following the change of control, provided that Ms. Wong is actively employed with the Company on the relevant payment dates. In the case of a termination without cause, any unpaid portion of the change of control payment, if any, will be accelerated. The change of control payment is in addition to any other entitlement arising from termination of such Ms. Wong's employment.

In connection with the Arrangement, the Company approved certain amendments to the employment agreements of Messrs. Ellis and McKenzie to reflect the terms outlined above. Prior to such amendments (a) Mr. Ellis' change of control bonus was to be paid over eight (8) equal quarterly instalments and (b) Mr. McKenzie was required to be actively employed by the Company on each of the relevant payment dates for his change of control bonus.

Consummation of the Arrangement will be considered a change of control pursuant to the above employment agreements.

Continuing Insurance Coverage for Directors and Executive Officers of the Company

The Arrangement Agreement provides that, prior to the Effective Date, (i) the Company shall purchase customary "tail" or "run off" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate than the protection provided by the policies maintained by the Company and its Subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date, and (ii) the Purchaser will, or will cause the Company and its Subsidiaries to maintain such policies in effect without any reduction in scope or coverage for six (6) years from the Effective Date; provided that the Purchaser will not be required to pay any amounts in respect of such coverage prior to the Effective Time and the cost of such policies shall not exceed 300% of the Company's current annual aggregate premium for policies currently maintained by the Company or its Subsidiaries.

Certain Legal Matters

Implementation of the Arrangement and Timing

The Arrangement will be implemented by way of a Court-approved plan of arrangement under the OBCA pursuant to the terms of the Arrangement Agreement. See the required procedural steps under "*The Arrangement – Implementation of the Arrangement*".

It is currently anticipated that the Arrangement will be completed in the fourth quarter of 2025. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be delayed for a number of reasons, including an objection before the Court at the hearing of the application for the Final Order or delay in obtaining the Competition Act Approval. As provided under the Arrangement Agreement, the Arrangement cannot be completed later than April 27, 2026, without triggering termination rights under the Arrangement Agreement, unless such Outside Date is extended to a later date as permitted under the Arrangement Agreement or as may be agreed in writing by the Parties.

Court Approvals

Interim Order

The Arrangement requires approval by the Court under section 182 of the OBCA. Prior to the mailing of this Circular, the Company obtained the Interim Order providing for the calling and holding of the Meeting and other procedural matters, including, but not limited to: (a) the Company Shareholder Approval, (b) the Dissent Rights to Registered Shareholders, (c) the notice requirements with respect to the presentation of the application to the Court for the Final Order, (d) the ability of the Company to adjourn or postpone the Meeting from time to time in accordance with the terms of the Arrangement Agreement without the need for additional approval of the Court and (e) unless required by Law or authorized by the Court, that the Record Date for the Shareholders entitled to notice of and to vote at the Meeting will not change in respect or as a consequence of any adjournment(s) or postponement(s) of the Meeting. A copy of the Interim Order is attached as Appendix "C" to this Circular.

Final Order

Subject to the terms of the Arrangement Agreement, following the approval of the Arrangement Resolution by Shareholders at the Meeting in the manner required by the Interim Order, the Company will make an application to the Court to obtain the Final Order. The hearing in respect of the Final Order is scheduled to take place virtually before the Ontario Superior Court of Justice (Commercial List) located at 330 University Avenue, Toronto, Ontario on October 3, 2025 at 12:00 p.m. (Toronto time), or as soon after such time as counsel may be heard (the "**Presentation Date**"). A copy of the Notice of Application for the Final Order is attached as Appendix "F" to this Circular. Any Shareholders, Company Noteholders or other interested party wishing to appear in person or to be represented by counsel at the hearing of the motion for the Final Order may do so but must comply with certain procedural requirements described in the Interim Order, including filing a notice of appearance with the Court and serving same upon the Company and the Purchaser via their respective counsel as soon as reasonably practicable and, in any event, no less than two days before the Presentation Date.

The Court has broad discretion under the OBCA when making orders with respect to arrangements. When hearing the application for the Final Order on the Presentation Date, the Court will consider, among other things, the fairness of the Arrangement. The Court may approve the Arrangement in any manner it may direct and determine appropriate.

Once the Final Order is granted and the other conditions contained in the Arrangement Agreement are satisfied or waived to the extent legally permissible, the Articles of Arrangement will be filed with the Director under the OBCA for issuance of the Certificate of Arrangement giving effect to the Arrangement.

Competition Act Approval

The Competition Act requires that each of the parties to a transaction that exceeds the thresholds set out in sections 109 and 110 of the Competition Act and is not otherwise exempt (a "**Notifiable Transaction**") provides the Commissioner with prescribed pre-closing notice. Subject to certain limited exceptions, the parties to a Notifiable Transaction cannot complete a Notifiable Transaction until the parties to the transaction have each submitted prescribed information to the Commissioner (a "**Notification**") and the applicable waiting period under section 123 of the Competition Act has expired or been terminated by the Commissioner, or the Commissioner has waived the parties' obligation to provide Notification pursuant to paragraph 113(c) of the Competition Act. The waiting period expires 30 days after the day on which the parties to the Notifiable Transaction have submitted their respective prescribed information, unless, before the expiry of this period, the Commissioner notifies the parties that additional information pursuant to subsection 114(2) of the Competition Act is required (a "**Supplementary Information Request**"). If the Commissioner provides the parties with a Supplementary Information Request, the Notifiable Transaction cannot be completed until 30 days after compliance with such Supplementary Information Request.

Alternatively, or in addition to filing a Notification, the parties to a Notifiable Transaction may apply to the Commissioner under subsection 102(1) of the Competition Act for an advance ruling certificate ("**ARC**") confirming that the Commissioner is satisfied that he does not have sufficient grounds on which to apply to the Canadian Competition Tribunal (the "**Competition Tribunal**") for an order under section 92 of the Competition Act to prohibit the completion of the transaction or, as an alternative to an ARC, for a waiver under paragraph 113(c) of the Competition Act and a letter from the Commissioner that he does not, at that time, intend to make an application under section 92 of the Competition Act in respect of the Notifiable Transaction (a "**No Action Letter**").

The Commissioner may apply to the Competition Tribunal for a remedial order under section 92 of the Competition Act at any time before a transaction has been completed or within one year after it was substantially completed, provided that the Commissioner did not issue an ARC in respect of the transaction. On application by the Commissioner under section 92 of the Competition Act, the Competition Tribunal may, where it finds that the merger prevents or lessens, or is likely to prevent or lessen, competition substantially, order that the merger not proceed or, if completed, order its dissolution or the disposition of the assets or shares acquired. In addition to, or in lieu thereof, with the consent of the person against whom the order is directed and the Commissioner, the Competition Tribunal may order a person to take any other action. The Commissioner may also apply to the Competition Tribunal under sections 100 and 104 of the

Competition Act for an injunction to delay closing of the transaction pending the Competition Tribunal's determination of the Commissioner's application for a remedial order.

The Arrangement is a Notifiable Transaction for the purposes of the Competition Act because it exceeds the relevant thresholds set out in sections 109 and 110 of the Competition Act. The Purchaser has submitted a request that the Commissioner issue an ARC or a No Action Letter in respect of the transactions contemplated by the Arrangement and the Company and the Purchaser have each filed a Notification with the Commissioner. It is a mutual condition to the completion of the Arrangement that (i) Competition Act Approval has been obtained and no Law (including an order of the Competition Tribunal) is in effect that makes consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser from consummating the Arrangement. Competition Act Approval means either (a) the issuance of an ARC; or (b) both of (i) the applicable waiting period under the Competition Act shall have expired, terminated or been waived by the Commissioner, and (ii) the Purchaser shall have received a No Action Letter.

Securities Law Matters

Application of MI 61-101

The Company is a reporting issuer in all of the provinces and territories of Canada, and, accordingly, is subject to applicable securities laws in all such provinces and territories. In addition, the securities regulatory authorities in the Provinces of Ontario, Québec, Alberta, Manitoba and New Brunswick have adopted MI 61-101.

MI 61-101 is intended to regulate certain transactions to ensure fair treatment of securityholders in transactions which raise the potential for conflicts of interest, generally requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties, independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 apply to a reporting issuer proposing to carry out, among other transactions, a "business combination" (as defined in MI 61-101).

A transaction is a "business combination" for purposes of MI 61-101 if, among other things, a "related party" of an issuer (as defined in MI 61-101), whether alone or with joint actors, would, directly or indirectly, as a consequence of such transaction: (i) acquire the issuer or the business of the issuer, or combine with the issuer (through an amalgamation, arrangement or otherwise), (ii) be entitled to receive consideration per equity security that is not identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class, or (iii) be entitled to receive a "collateral benefit" (as defined in MI 61-101).

As of the Record Date, Stephen Smith and Moray Tawse beneficially owned, directly or indirectly, or exercised control or direction over, 22,409,355 Common Shares and 20,404,355 Common Shares, respectively, which represented approximately 37.4% and 34.0% of the issued and outstanding Common Shares, respectively. As a result, each of Messrs. Smith and Tawse are a considered a "related party" of the Company for the purposes of MI 61-101. The Arrangement is a "business combination" for the purposes of MI 61-101 because Messrs. Smith and Tawse, as Rollover Shareholders, will receive consideration that is not identical in amount or form to the

entitlement of the general body of Shareholders by virtue of the exchange of the Rollover Shares pursuant to the Rollover Agreements.

Formal Valuation

MI 61-101 prescribes circumstances where, unless an exemption is available, a reporting issuer proposing to carry out a business combination is required to obtain a formal valuation of the "affected securities" (as defined in MI 61-101) from a qualified independent valuator and to provide the holders of such affected securities with a summary of such valuation. For the purposes of the Arrangement, the Common Shares are considered "affected securities" within the meaning of MI 61-101.

The Special Committee determined that BMO Capital Markets was a qualified and independent valuator for purposes of MI 61-101. As a result, the Special Committee retained BMO Capital Markets to provide it with a formal valuation of the Common Shares in accordance with the requirements of MI 61-101. See "*The Arrangement – Formal Valuation and Fairness Opinion*" and the copy of the Formal Valuation and Fairness Opinion attached as Appendix "E" to this Circular.

Minority Approval

MI 61-101 requires that, in addition to any other required security holder approval, a "business combination" must be subject to "minority approval" (as defined in MI 61-101) of every class of "affected securities" (as defined in MI 61-101) of the issuer, in each case voting separately as a class.

Consequently, the approval of the Arrangement Resolution will require the affirmative vote of a simple majority of the votes cast by all the holders of Common Shares present or represented by proxy and entitled to vote at the Meeting, other than: (i) an "interested party" (as defined in MI 61-101); (ii) any "related party" (as defined in MI 61-101) of an "interested party", unless the "related party" meets that description solely in its capacity as a director or senior officer of one or more persons that are neither an "interested party" nor "issuer insiders" of the Company; and (iii) any person that is a "joint actor" (as defined in MI 61-101) with any of the foregoing, voting separately as a class.

The Rollover Shareholders are considered "interested parties" pursuant to MI 61-101 because they are related parties of the Company and are entitled to receive consideration that is not identical in amount or form to the entitlement of the general body of Shareholders. As a result, the Common Shares held by them will be excluded from the Minority Approval vote.

In addition, any other "related party" of the Company that is entitled to receive a "collateral benefit" (as defined in MI 61-101) in connection with the Arrangement would be considered an "interested party" and the Common Shares held by such person would be required to be excluded from the Minority Approval vote. As disclosed in this Circular, several Company Employees are entitled to receive certain payments following a change of control of the Company (see "*The Arrangement – Interests of Certain Persons in the Arrangement – Change of Control Benefits*"). The Unconflicted Company Board has determined that none of these payments is a "collateral benefit" for the purposes of MI 61-101 because: (i) the benefit is received solely in connection

with the employee's service as an employee of the Company, (ii) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to such employee for their Common Shares, (iii) full particulars of the benefit have been disclosed in this Circular and (iv) each of the employees receiving the benefit exercised control or direction over, or beneficially owned, less than 1% of the outstanding Common Shares as at July 27, 2025, the date of the Arrangement Agreement.

As a result, to the knowledge of the Company, the Rollover Shareholders are the only holders of Common Shares that qualify as an "interested party" or a "related party" of an "interested party" or a "joint actor" of any of the foregoing. Accordingly, any Common Shares held, directly or indirectly, by the Rollover Shareholders (which, collectively, beneficially own or exercise control or direction over an aggregate of 42,813,710 Common Shares, representing in the aggregate approximately 71.4% of the outstanding Common Shares as of the Record Date) will be excluded from the vote on Minority Approval.

Prior Valuations

MI 61-101 requires that every "prior valuation" (as defined in MI 61-101) in respect of the Company that has been made in the 24 months prior to the date of this Circular, the existence of which is known, after reasonable inquiry, to the Company or any of its directors or senior officers, be disclosed in the Circular. To the knowledge of the Company or any of its directors or senior officers, after reasonable inquiry, there has been no "prior valuation" of the Company or of its securities, including the Common Shares, or material assets in the 24 months preceding the date of this Circular.

Prior Offers

MI 61-101 requires that every "prior offer" (as defined in MI 61-101) in respect of the Company, that has been made in the 24 months prior to the date of this Circular that relates to the subject matter of or is otherwise relevant to the Arrangement, be disclosed in the Circular. Except as disclosed elsewhere in this Circular, the Company has not received any bona fide prior offer related to the subject matter of the Arrangement or that is otherwise relevant to the Arrangement.

Expenses of the Arrangement

The Company estimates that expenses in the aggregate amount of approximately $20,000,000 will be incurred by the Company in connection with the Arrangement, including legal, financial advisory, accounting, proxy solicitation, filing fees and costs, the cost of preparing, printing and mailing this Circular and fees in respect of the Formal Valuation and Fairness Opinion.

Except as otherwise expressly provided in the Arrangement Agreement, all out-of-pocket third party transaction expenses incurred in connection with the Arrangement Agreement and the Plan of Arrangement and the transactions contemplated thereunder, including all costs, expenses and fees of the Company incurred prior to or after the Effective Time in connection with, or incidental to, the Arrangement Agreement and the Plan of Arrangement, shall be paid by the party incurring such expenses, whether or not the Arrangement is consummated.

Certain Effects of the Arrangement

Stock Exchange Delisting and Reporting Issuer Status

The Common Shares are currently listed for trading on the TSX under the symbol "FN". If the Arrangement is successful, the only Shareholder of the Company on completion of the Arrangement will be the Purchaser and there will be no public market for the Common Shares. Pursuant to the Arrangement Agreement, the Company shall use commercially reasonable efforts to cause, and the Parties have agreed to cooperate in taking, or causing to be taken, all reasonable actions necessary to enable the Common Shares to be delisted from the TSX as promptly as practicable following the acquisition by the Purchaser of the Common Shares pursuant to the Arrangement.

The Preferred Shares are not being arranged in connection with the Arrangement and will remain outstanding obligations of the Company following closing of the Arrangement in accordance with their terms, including that holders of Preferred Shares will continue to be entitled to regular quarterly dividends. The Preferred Shares will continue to be listed on the TSX and, as a result, the Company will continue to be a reporting issuer under applicable Canadian securities laws following closing of the Arrangement.

If the Company Shareholder Approval is not obtained or if the Arrangement is not completed for any other reason, Shareholders and Company Noteholders will not receive any payment for any of their Common Shares or Company Notes in connection with the Arrangement and the Common Shares will continue to be listed on the TSX. See "*Risk Factors – Risks Relating to the Arrangement*".

Benefits of the Arrangement for Shareholders other than the Rollover Shareholders

A primary benefit of the Arrangement to Shareholders (other than the Rollover Shareholders in respect of the Rollover Shares) will be the right of such Shareholders to receive the Consideration of $48.00 in cash per Common Share, as described above, representing a premium of approximately 15.2% and 22.8% to the 30 and 90-trading day volume weighted average trading price, respectively, per Common Share as of July 25, 2025, being last trading day prior to the announcement of the Arrangement. Additionally, such Shareholders will avoid the risk of any possible decrease in the future growth or value of the Company, the risks related to the Company's business and the need to provide significant additional equity funding or suffer being diluted.

Risks of the Arrangement for Shareholders other than the Rollover Shareholders

The primary risks and negative factors of the Arrangement to Shareholders (other than the Rollover Shareholders) include that such Shareholders will no longer participate in the Company's potential growth or value, if any.

Benefits of the Arrangement for the Rollover Shareholders

If the Arrangement becomes effective, each Rollover Shareholder will have exchanged all of the Rollover Shares held by them for an indirect interest in the Purchaser at the same value per Rollover Share as the Consideration payable under the Arrangement in accordance with the terms

of a Rollover Agreement such that on closing of the Arrangement, Messrs. Smith and Tawse are each expected to maintain an indirect approximate 19% interest in the Company. As such, the Rollover Shareholders will receive benefits and be subject to obligations that are different from, or in addition to, the benefits received by Shareholders generally. The primary benefits of the Arrangement to the Rollover Shareholders include the fact that the Rollover Shareholders will continue to participate in the Company's potential growth or value, if any. Messrs. Smith and Tawse will also each sell approximately two-thirds of their Common Shares to the Purchaser pursuant to the Arrangement for the same Consideration per Common Share as all other Shareholders.

ARRANGEMENT MECHANICS

Depositary Agreement

Pursuant to the Arrangement Agreement and the Plan of Arrangement, the Purchaser shall deposit, or cause to be deposited, cash with the Depositary in the aggregate amount equal to the payments in respect of the Common Shares and Company Notes required by the Plan of Arrangement. The Company, the Purchaser and the Depositary will enter into a depositary agreement prior to the Effective Date.

Certificates and Payment

Upon surrender to the Depositary for cancellation of a direct registration statement (DRS) notice (a "**DRS Advice**") or certificate which immediately prior to the Effective Time represented outstanding Common Shares that were transferred pursuant to the Plan of Arrangement, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, a Shareholder holding such surrendered DRS Advice or certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder following the Effective Time a cheque (or other form of immediately available funds) representing the cash which such holder has the right to receive under the Plan of Arrangement for such Common Shares and in the case of the Rollover Shares, Regal Topco and the Purchaser shall, as applicable, deliver the Rollover Consideration to which Regal Holdings LP or Regal Topco, as applicable, have a right to receive under the Plan of Arrangement and the Rollover Agreements in respect of their Rollover Shares, any certificate or DRS Advice so surrendered shall forthwith be cancelled.

The Depositary shall deliver the consideration in respect of those Company Notes which are represented by a Global Note (as such term is defined in the applicable Company Notes Indenture) to the Depositary, as defined in the applicable Company Notes Indenture, in accordance with normal industry practice for payments relating to securities held on a book-entry only basis. As of the date hereof, all Company Notes are registered in the name of CDS and represented by Global Notes. Company Noteholders whose interest in the applicable Company Notes is not represented by a Global Note shall, upon surrender to the Depositary for cancellation of a certificate or certificates which, immediately prior to the Effective Time, represented outstanding Company Notes that were redeemed pursuant to the Arrangement, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the holders of such Company Notes represented by such surrendered certificate(s) shall be entitled to receive, and the Depositary shall deliver to such holder, a cheque

(or other form of immediately available funds) representing the Company Note Consideration which such Company Noteholder has the right to receive under the Plan of Arrangement and any certificate so surrendered shall forthwith be cancelled.

Pursuant to the Plan of Arrangement, any certificate, agreement or other instrument that immediately prior to the Effective Time represented outstanding Common Shares or Company Notes shall be deemed after the Effective Time to represent only the right to receive, in the case of the Common Shares, the Consideration per Common Share, in the case of the Rollover Shares, the applicable Rollover Consideration, or, in the case of the Company Notes, the Company Note Consideration in lieu of such certificate. Any such DRS Advice, certificate, agreement or other instrument formerly representing Common Shares or Company Notes not duly surrendered with all other documents required under the Arrangement Agreement on or before the third anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder thereof of any kind or nature against or in the Company or the Purchaser. On such date, all consideration to which such former holder was entitled under the Plan of Arrangement shall be deemed to have been surrendered to the Purchaser or the Company, as applicable, together with all entitlements to dividends, distributions and interest thereon held for such former holder.

Any payment made by way of cheque by the Depositary or the Company, as applicable, pursuant to the Plan of Arrangement that has not been deposited or has been returned to the Depositary or the Company, as applicable, or that otherwise remains unclaimed, in each case, on or before the third anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the third anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Common Shares and Company Notes pursuant to the Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.

No Shareholder or Company Noteholder shall be entitled to receive any consideration or entitlement with respect to their Common Shares or Company Notes other than any consideration or entitlement to which such holder is entitled to receive pursuant to the Plan of Arrangement and no such holder will be entitled to receive any interest, dividends, premium or other payment or distribution in connection therewith unless otherwise provided.

Pursuant to the Plan of Arrangement, in the event any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares or Company Notes that were transferred, or redeemed, as applicable, pursuant to the Plan of Arrangement shall have been lost, stolen or destroyed, the Depositary shall issue and deliver (and the Purchaser or the Company shall cause the Depositary to issue and deliver) to the Person claiming such certificate to be lost, stolen or destroyed, in exchange for such lost, stolen or destroyed certificate, a cheque (or other form of immediately available funds) representing the aggregate consideration in respect thereof which such holder is entitled to receive pursuant to the Arrangement, deliverable in accordance with such holder's Letter of Transmittal. When authorizing such delivery in exchange for any lost, stolen or destroyed certificate, the Person to whom such consideration is to be delivered shall, as a condition precedent to the delivery of such consideration, give an affidavit (in form and substance reasonably acceptable to the Purchaser or the Company, as applicable) of the claimed loss, theft or destruction of such certificate and a bond or surety satisfactory to the Purchaser or the Company, as applicable,

and the Depositary (each acting reasonably) in such reasonable and customary sum as the Purchaser or the Company, as applicable, may direct, or otherwise indemnify the Purchaser, the Company and the Depositary in a manner satisfactory to the Purchaser or the Company, as applicable, and the Depositary, each acting reasonably, against any claim that may be made against the Purchaser, the Company and/or the Depositary with respect to the certificate alleged to have been lost, stolen or destroyed.

The Plan of Arrangement provides that the Company, the Purchaser, the Depositary and any other Person that makes a payment in connection with the Plan of Arrangement shall be entitled to deduct or withhold from any amount payable to any Person under the Plan of Arrangement, such amounts as the Company, the Purchaser, the Depositary or such other Person, as applicable, determines, acting reasonably, are required to be deducted or withheld with respect to such payment under the Tax Act or any provision of any other Law. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes of the Arrangement Agreement as having been paid to the Person in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity.

Letters of Transmittal

Registered Shareholders will have received with this Circular a Letter of Transmittal. In order to receive the Consideration, such Shareholders must complete and sign the applicable Letter of Transmittal enclosed with this Circular and deliver it and the other documents required by it, including the certificates or DRS Advices representing the Common Shares, to the Depositary in accordance with the instructions contained in the applicable Letter of Transmittal. Beneficial Shareholders should contact their broker or other intermediary for instructions and assistance in receiving the Consideration for their Common Shares.

The Depositary shall deliver the consideration in respect of those Company Notes which are represented by a Global Note (as such term is defined in the Company Notes Indenture) to the Depositary, as defined in the Company Notes Indenture, in accordance with normal industry practice for payments relating to securities held on a book-entry only basis. The Depositary will need to receive a Letter of Transmittal completed by each registered holder of Company Notes whose interest in the applicable Company Notes is not represented by a Global Note. In order to receive the Company Note Consideration, such registered Company Noteholders must complete and sign the applicable Letter of Transmittal and deliver it and the other documents required by it, including the certificates representing the Company Notes, to the Depositary in accordance with the instructions contained in the applicable Letter of Transmittal. Holders of Company Notes that hold through an intermediary should contact their broker or other intermediary for instructions and assistance in receiving the Company Note Consideration for their Company Notes.

The Letters of Transmittal contain procedural information relating to the Arrangement and should be reviewed carefully. Registered Shareholders can obtain additional copies of the applicable Letter of Transmittal by contacting Computershare. Registered holders of Company Notes can obtain additional copies of the applicable Letter of Transmittal by contacting the Depositary. The forms of Letters of Transmittal are available under First National's profile on SEDAR+ at www.sedarplus.ca.

The Purchaser reserves the right to waive or not to waive any and all errors or other deficiencies in any Letter of Transmittal or other document and any such waiver or nonwaiver will be binding upon the affected Shareholders and Company Noteholders. The granting of a waiver to one or more Shareholders or Company Noteholders does not constitute a waiver for any other Shareholders or Company Noteholders. The Company and the Purchaser reserve the right to demand strict compliance with the terms of the Letters of Transmittal and the Plan of Arrangement. The method used to deliver the Letters of Transmittal and any accompanying certificates or DRS Advices representing the Common Shares or Company Notes is at the option and risk of the holder surrendering them, and delivery will be deemed effective only when such documents are actually received by the Depositary. The Company recommends that the necessary documentation be delivered to the Depositary at its office (at the address specified in the Letter of Transmittal), via registered mail with return receipt request, and properly insured.

THE ARRANGEMENT AGREEMENT

The Arrangement Agreement and the Plan of Arrangement are the legal documents that govern the Arrangement. This section of this Circular describes the material provisions of the Arrangement Agreement but does not purport to be complete and may not contain all of the information about the Arrangement Agreement that is important to you. This summary is qualified in its entirety by the Plan of Arrangement, the full text of which is attached as Appendix "B" to this Circular, and the Arrangement Agreement, a copy of which is available under First National's profile on SEDAR+ at www.sedarplus.ca. We encourage you to read the Arrangement Agreement in its entirety. The Arrangement Agreement establishes and governs the legal relationship between First National and the Purchaser with respect to the transactions described in this Circular. It is not intended to be a source of factual, business or operational information about First National or the Purchaser.

Arrangement

On July 27, 2025, the Company and the Purchaser entered into the Arrangement Agreement pursuant to which the Purchaser agreed to acquire all of the outstanding Common Shares (other than the Rollover Shares) at a price of $48.00 per Common Share in cash and to effect the Arrangement, subject to the terms and conditions of the Arrangement Agreement. The Purchaser will, no later than the Effective Date, deposit in escrow with the Depositary sufficient funds to satisfy the aggregate Consideration payable to the Shareholders and the Company Note Consideration payable to Company Noteholders pursuant to the Plan of Arrangement.

Interim Order and Final Order

On August 27, 2025, the Company received the Interim Order pursuant to section 182 of the OBCA. A copy of the Interim Order is attached as Appendix "C" to this Circular.

If the Arrangement Resolution is passed at the Meeting as provided for in the Interim Order and as required by applicable Law, subject to the terms of the Arrangement Agreement, the Company shall take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to section 182 of the OBCA, as soon as reasonable practicable but, in any event, not later than five (5) Business Days after the Arrangement Resolution is passed at the Meeting as provided for in the Interim Order.

Articles of Arrangement and Effective Date

The closing of the transactions contemplated in the Arrangement Agreement (the "**Closing**"), including the filing of the Articles of Arrangement with the Director, and the Effective Date shall occur on the date designated by the Purchaser, at its sole option, upon prior written notice to the Company of not less than five (5) Business Days prior to the designated date, provided such date shall be between the fifth (5^{th}) Business Day and the fifteenth (15^{th}) Business Day after the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is stipulated, of the conditions set out in Article 6 of the Arrangement Agreement (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is stipulated, of those conditions as of the Effective Date), unless another time or date is agreed to in writing by the Parties.

From and after the Effective Time, the Plan of Arrangement shall have all of the effects provided by applicable Law, including the OBCA. The Closing will take place via electronic document exchange (by email or other electronic means) at 8:01 a.m. on the Effective Date unless otherwise agreed upon by the Parties.

Conditions to Closing

Mutual Conditions Precedent

The Purchaser and the Company are not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions may only be waived, in whole or in part, by the mutual consent of the Parties:

(a) *Arrangement Resolution*. The Arrangement Resolution has been approved and adopted by the Shareholders at the Meeting in accordance with the Interim Order.

(b) *Interim Order and Final Order*. The Interim Order and the Final Order have each been obtained on terms consistent with the Arrangement Agreement and have not been set aside or modified in a manner unacceptable to either the Company or the Purchaser, each acting reasonably on appeal or otherwise.

(c) *Illegality*. No Law is in effect that makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company or the Purchaser from consummating the Arrangement.

(d) *Competition Act Approval*. The Competition Act Approval shall have been obtained and not withdrawn.

(e) *Articles of Arrangement*. The Articles of Arrangement to be filed with the Director in accordance with the Arrangement Agreement shall be in form and substance satisfactory to each of the Company and the Purchaser, acting reasonably.

Additional Conditions Precedent to the Obligations of the Purchaser

The Purchaser is not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

(a) *Representations and Warranties*. The representations and warranties of the Company set forth in (i) paragraphs (2) (*Corporate Authorization*), (3) (*Execution and Binding Obligation*), (5(a)) (*Non-Contravention of Constating Documents*) and the first sentence of paragraph (1) (*Organization*) of Schedule C to the Arrangement Agreement shall be true and correct in all respects as of the date of the Arrangement Agreement and as of the Effective Time as if made at and as of such time; (ii) paragraphs (6) (*Capitalization*) and (8) (*Subsidiaries*) of Schedule C to the Arrangement Agreement shall be true and correct in all respects (except for de minimis inaccuracies) as of the Effective Time as if made at and as of such time (except that any such representation and warranty that by its terms speaks specifically as of the date of the Arrangement Agreement or another date shall be true and correct in all respects (except for *de minimis* inaccuracies) as of such date); and (iii) all other representations and warranties of the Company set forth in the Arrangement Agreement shall be true and correct in all respects (disregarding any materiality qualification contained in any such representation or warranty) as of the Effective Time as if made at and as of such time (except that any such representation and warranty that by its terms speaks specifically as of the date of the Arrangement Agreement or another date shall be true and correct in all respects as of such date (disregarding any materiality qualification contained in any such representation or warranty)), except in the case of this clause (iii) where the failure to be so true and correct in all respects, individually and in the aggregate, has not had or would not reasonably be expected to have a Material Adverse Effect; and (iv) the Company has delivered a certificate confirming same to the Purchaser, executed by two (2) senior officers of the Company (in each case without personal liability) addressed to the Purchaser and dated as of the Effective Date.

(b) *Performance of Covenants*. The Company has fulfilled or complied in all material respects with each of the covenants of the Company contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and the Company has delivered a certificate confirming same to the Purchaser, executed by two (2) senior officers of the Company (in each case without personal liability) addressed to the Purchaser and dated the Effective Date.

(c) *No Legal Actions*. Other than in connection with the Competition Act Approval, no action has been commenced by any Governmental Entity against the Company, any of its Subsidiaries or the Purchaser that remains pending with any reasonable likelihood of success that seeks to enjoin or prohibit (i) the consummation of the Arrangement, or (ii) the Purchaser's ability to acquire or hold, or exercise the full rights of ownership of, any Common Shares.

(d) *Material Adverse Effect*. Since the date of the Arrangement Agreement, there shall not have occurred a Material Adverse Effect which is continuing as of the Closing. Please refer to the definition of Material Adverse Effect and related definition of CMHC Adverse Event under "*Glossary of Terms*" starting on page 153 of this Circular in the glossary section.

(e) *Dissent Rights*. Dissent Rights shall not have been exercised (and not withdrawn) with respect to more than 5% of the issued and outstanding Common Shares.

Additional Conditions Precedent to the Obligations of the Company

The Company is not required to complete the Arrangement unless each of the following conditions is satisfied, which conditions are for the exclusive benefit of the Company and may only be waived, in whole or in part, by the Company in its sole discretion:

(a) *Representations and Warranties*. The representations and warranties of the Purchaser set forth in the Arrangement Agreement shall be true and correct in all respects (disregarding any materiality qualification contained in any such representation or warranty) as of the date of the Arrangement Agreement and as of the Effective Time as if made at and as of such time (except that any such representation and warranty that by its terms speaks specifically as of the date of the Arrangement Agreement or another date shall be true and correct in all material respects as of such date (disregarding any materiality qualification contained in any such representation or warranty)), except where the failure to be so true and correct in all respects, individually and in the aggregate, would not reasonably be expected to materially impede or delay the consummation of the Arrangement, and the Purchaser has delivered a certificate confirming same to the Company, executed by two (2) senior officers thereof (in each case without personal liability) addressed to the Company and dated the Effective Date.

(b) *Performance of Covenants*. The Purchaser has fulfilled or complied in all material respects with each of the covenants of the Purchaser contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and the Purchaser has delivered a certificate confirming same to the Company, executed by two (2) of its senior officers (in each case without personal liability) addressed to the Company and dated the Effective Date.

(c) *Deposit of Funds*. The Purchaser shall have deposited or caused to be deposited with the Depositary in escrow in accordance with the Arrangement Agreement, the funds required to effect payment in full of the aggregate Consideration to be paid pursuant to the Arrangement and the Depositary shall have confirmed to the Company in writing the receipt of such funds.

Satisfaction of Conditions

The conditions precedent set out above will be conclusively deemed to have been satisfied, waived or released when the Certificate of Arrangement is issued by the Director following the filing of

the Articles of Arrangement in accordance with section 2.8(2) of the Arrangement Agreement. For greater certainty, and notwithstanding the terms of any depositary agreement entered into between the Purchaser and the Depositary, all funds held in escrow by the Depositary pursuant to the Arrangement Agreement shall be deemed to be released from escrow when the Certificate of Arrangement is issued by the Director following the filing of the Articles of Arrangement in accordance with section 2.8(2) of the Arrangement Agreement.

Representations and Warranties

The Arrangement Agreement contains customary representations and warranties made by the Company and the Purchaser. The assertions embodied in those representations and warranties are solely for the purposes of the Arrangement Agreement. Certain representations and warranties may not be accurate or complete as of any specified date because they are qualified by certain disclosure provided by the Company to the Purchaser or are subject to a standard of materiality or are qualified by a reference to Material Adverse Effect. Moreover, some of the representations and warranties contained in the Arrangement Agreement may have been used for the purpose of allocating risk between the Company and the Purchaser. Accordingly, Shareholders should not rely on the representations and warranties as statements of factual information.

The Arrangement Agreement contains customary representations and warranties of the Company relating to organization and qualification, corporate authorization, execution and binding obligation, governmental authorization, non-contravention, capitalization, shareholders' and similar agreements, subsidiaries, securities law matters, financial statements, disclosure controls and procedures, minute books, auditors, no undisclosed liabilities, absence of certain changes or events, related party transactions, compliance with law, authorizations and licenses, material contracts, personal property, real property, intellectual property, litigation, environmental matters, employees, insurance, taxes, anti-money laundering, anti-corruption and sanctions, privacy, IT assets, loan records and documents, loans, no deficiency, securitization, formal valuation and fairness opinion, board and special committee approval, no collateral benefit and brokers.

In addition, the Arrangement Agreement also contains customary representations and warranties of the Purchaser including with respect to organization and qualification, corporate authorization, execution and binding obligation, governmental authorization, non-contravention, litigation, *Investment Canada Act*, security ownership, interests in Purchaser, sufficient funds, financing and guarantees.

Covenants

Conduct of the Business of First National

In the Arrangement Agreement, the Company has covenanted and agreed that, during the period from the date of the Arrangement Agreement until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, except: (a) with the prior written consent of the Purchaser, such consent not to be unreasonably withheld, delayed or conditioned; (b) as required or expressly permitted by the Arrangement Agreement; (c) as required by Law; or (d) as contemplated by section 4.1(1) of the Company Disclosure Letter (clauses (a) through (d), collectively, the "**Specified Exemptions**"), the Company shall, and shall cause each

of its Subsidiaries to, conduct its business in the Ordinary Course and the Company shall use commercially reasonable efforts to maintain and preserve its and its Subsidiaries' business.

Without limiting the generality of the above and except pursuant to the Specified Exemptions, the Company also covenanted and agreed that, during the period from the date of the Arrangement Agreement until the earlier of the Effective Time and the time that the Arrangement Agreement is terminated in accordance with its terms, the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly, except as disclosed in the Company Disclosure Letter:

(a) amend or otherwise modify its Constating Documents;

(b) other than the Permitted Dividends, reduce the stated capital, adjust, split, divide, consolidate, combine or reclassify any shares of the Company or of any Subsidiary, set aside or pay any dividend or other distribution or make any payment (whether in cash, shares or property or any combination thereof) in respect of the Common Shares, the Preferred Shares or the securities of any Subsidiary of the Company, other than, in the case of any wholly-owned Subsidiary of the Company, any dividends, distributions or payments payable to the Company or any other wholly-owned Subsidiary of the Company;

(c) redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire any shares of the Company or any of its Subsidiaries, except for the acquisition of shares of any wholly-owned Subsidiary of the Company by the Company or by any wholly-owned Subsidiary of the Company;

(d) issue, grant, deliver, sell, transfer, dispose, pledge or otherwise encumber (other than Permitted Liens), or authorize the issuance, grant, delivery, sale, transfer, disposition, pledge or other encumbrance of (other than Permitted Liens), any shares, equity interests or other securities of the Company or any of its Subsidiaries or any options, units, warrants or similar rights exercisable or exchangeable for or convertible into such shares, equity interests or other securities of the Company or any of its Subsidiaries, except for the issuance of any shares, equity interests or other securities of any wholly-owned Subsidiary of the Company to the Company or any other wholly-owned Subsidiary of the Company;

(e) other than in the Ordinary Course, acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of related transactions, any assets, securities, properties, interests or businesses having a cost in excess of $1,000,000 for all such transactions;

(f) other than in the Ordinary Course, sell, lease, transfer or otherwise dispose, directly or indirectly, in one transaction or in a series of related transactions, any of the Company's or any of its Subsidiaries' assets which have a value greater than $1,000,000 in the aggregate;

(g) other than in the Ordinary Course, sell, transfer or otherwise dispose, directly or indirectly, in one transaction or in a series of related transactions, any of the Company's or any of its Subsidiary's mortgage lending or consumer lending portfolios;

(h) reorganize, recapitalize, restructure, amalgamate or merge the Company or any of its Subsidiaries;

(i) grant a Lien against any asset or properties of the Company or its Subsidiaries that is not a Permitted Lien;

(j) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Company or any of its Subsidiaries;

(k) make any material Tax election, information schedule, return or designation, except in each case in the Ordinary Course, settle or compromise any material Tax claim, assessment, reassessment or liability, change any of its methods of reporting income, deductions or accounting for income Tax purposes;

(l) prepay any long-term indebtedness before its scheduled maturity, or increase, create, incur, assume or otherwise become liable, in one transaction or in a series of related transactions, with respect to any indebtedness for borrowed money or guarantees thereof in an amount, on a per transaction or series of related transactions basis, in excess of $5,000,000 in the aggregate, or other than (i) indebtedness owing by one wholly-owned Subsidiary of the Company to the Company or another wholly-owned Subsidiary of the Company or by the Company to another wholly-owned Subsidiary of the Company, (ii) drawings, prepayments or repayments under the Company Credit Facility or the Company's whole loan repurchase or total return swap warehouse facilities made in the Ordinary Course, (iii) the redemption of the Series 3 Notes on or after October 17, 2025 in accordance with their terms, and any drawings under the Company Credit Facility for such purpose, or (iv) in connection with advances under any asset-backed commercial paper conduit, or securitization facilities of the Company or its Subsidiaries in the Ordinary Course;

(m) except in the Ordinary Course, enter into any material interest rate or currency swaps, hedges, derivatives, forward sales contracts or similar financial instruments;

(n) make any material change in the Company's accounting principles, except as required by concurrent changes in IFRS;

(o) hire or terminate the employment of any Company Employee (except for just cause) with total compensation or total anticipated compensation in excess of $420,000 per year;

(p) hire or engage (whether as employee or contractor) more than 40 additional individuals beyond the aggregate workforce in place as of the date hereof or incur more than $4,000,000 in total incremental annual compensation commitments to such hired or engaged employees or contractors;

(q) grant any general increase in the rate of wages, salaries, bonuses or other remuneration of Company Employees, other than increases in the Ordinary Course for Company Employees who are not executive officers or senior management;

(r) make any bonus or profit-sharing distribution or similar payment of any kind other than in the Ordinary Course or as required pursuant to the terms of an Employee Plan or a Contract with a Company Employee in effect prior to the date hereof;

(s) enter into any deferred compensation arrangement or similar arrangement, other than as required pursuant to the terms of an Employee Plan or a Contract with a Company Employee in effect prior to the date of the Arrangement Agreement;

(t) grant, amend or enter into any Contract with respect to change of control, severance, retention notice, bonus or termination payments with any Company Employee or director of the Company or any of its Subsidiaries, other than with respect to a termination in the Ordinary Course that is not otherwise prohibited under section 4.1(2) of the Arrangement Agreement;

(u) adopt any new Employee Plan or terminate or materially amend or modify an existing Employee Plan;

(v) increase, or agree to increase, any funding obligation or accelerate, or agree to accelerate, the timing of any payment, funding or vesting of any compensation or benefits under any Employee Plan;

(w) commence, waive, release, assign, settle or compromise any litigation or proceedings by or against any Person, or investigations by any Governmental Entity, in excess of payment by the Company or any of its Subsidiaries in an amount of $1,000,000 in the aggregate, unless such amount is fully covered by an insurance policy of the Company (less the applicable deductible), or which would reasonably be expected to impede, prevent or delay the consummation of the transactions contemplated by the Arrangement Agreement;

(x) amend or modify in any material respect or terminate or waive any material right under any Material Contract or enter into any contract or agreement that would be a Material Contract if in effect on the date of the Arrangement Agreement;

(y) enter into any Collective Agreement with any Union;

(z) negotiate, amend or enter into any lease, or establish any new office of the Company or any of its Subsidiaries;

(aa) other than Contracts with mortgage brokers in the Ordinary Course, enter into or amend in any material respect any Contract with any broker, finder or investment banker, including any amendment of the engagement letters with the Financial Advisors;

(bb) enter into, or resolve to enter into, any agreement that has the effect of creating a joint venture, partnership, shareholders' agreement or similar relationship between the Company or any of its Subsidiaries and another Person or any agreement or arrangement regarding the control or management of the operations, or the appointment of governing bodies, of the Company or any of its Subsidiaries;

(cc) except as contemplated in section 4.12 of the Arrangement Agreement, amend, modify, terminate, cancel or let lapse any material insurance (or re-insurance) policy providing insurance coverage to the Company or any Subsidiary in effect on the date of the Arrangement Agreement, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums are in full force and effect;

(dd) abandon or fail to diligently pursue any application for any material Authorizations, leases, permits or registrations or take any action, or fail to take any action, that would reasonably be expected to lead to the termination of any material Authorizations, leases, permits or registrations;

(ee) enter into any new line of business outside of the existing business of the Company and its Subsidiaries, or materially change the business carried on by the Company and its Subsidiaries, as a whole, or enter into any agreement or arrangement that would limit or restrict in any material respect the Company and its Subsidiaries from competing or carrying on any business in any manner;

(ff) agree to any express limitation or restriction on the right of the Company or any of its Subsidiaries to engage in any activity or business or acquire any property;

(gg) sell, assign, exclusively license, dispose or transfer any material Intellectual Property, or abandon or cease to maintain any material Registered Intellectual Property, of the Company or any of its Subsidiaries;

(hh) enter into, amend or modify in any material respect, terminate or assign, or waive any material right under, any Related Party Transaction; or

(ii) authorize, agree or resolve to do any of the foregoing.

Nothing contained in the Arrangement Agreement will give the Purchaser, directly or indirectly, the right to direct or control the Company's business and operations prior to the Effective Date. Prior to the Effective Date, the Company will exercise, consistent with the terms of the Arrangement Agreement, complete control and supervision over its business and operations.

Nothing in the Arrangement Agreement, including any of the restrictions set forth therein, will be interpreted in such a way as to place any Party in violation of applicable Law.

In the Arrangement Agreement, the Company has covenanted to as promptly as practicable notify the Purchaser of any data compromise or incident affecting IT assets involving the Company or any of its Subsidiaries occurring after the date hereof and of which the Company is aware that is, or would reasonably be expected to be, material to the business of the Company and its Subsidiaries or require disclosure to a Governmental Entity. The Company has agreed to consult with the Purchaser and give reasonable and due consideration to the comments of the Purchaser on any actions or measures to be taken in connection with a situation described herein prior to taking any actions or measures in relation thereto, to the extent practicable in light of any required immediate action.

Shareholders should refer to the Arrangement Agreement for details regarding the additional negative and affirmative covenants given by the Company in relation to the conduct of its business prior to the Effective Date.

Covenants of First National Relating to the Arrangement

Subject to section 4.4 of the Arrangement Agreement (which governs in relation to the Competition Act Approval) and section 4.6 of the Arrangement Agreement (which governs in relation to the Financing), the Company has agreed to perform, and cause its Subsidiaries to perform, all obligations required to be performed by the Company or any of its Subsidiaries under the Arrangement Agreement, cooperate with the Purchaser in connection therewith, and use its commercially reasonable efforts to perform all such other actions as may be necessary or advisable in order to, subject to the terms and conditions set out in the Arrangement Agreement, consummate and make effective, as soon as reasonably practicable, the Arrangement and, without limiting the generality of the foregoing, the Company has agreed to and, where appropriate, to cause each of its Subsidiaries to, subject to the terms and conditions set out in the Arrangement Agreement:

(a) use commercially reasonable efforts to satisfy all conditions precedent in section 6.1 and section 6.2 of the Arrangement Agreement and take all steps set forth in the Interim Order and the Final Order applicable to it and comply promptly with all requirements imposed by Law on it or its Subsidiaries with respect to the Arrangement Agreement or the Arrangement;

(b) use commercially reasonable efforts to obtain and maintain all third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are (i) necessary to be obtained under the Material Contracts in connection with the Arrangement, (ii) required in order to maintain the Material Contracts in full force and effect following completion of the Arrangement or (iii) necessary to be obtained under any other Contracts that are not Material Contracts in connection with the Arrangement to the extent requested by the Purchaser, acting reasonably, in each case, on terms that are reasonably satisfactory to the Purchaser, and without paying, and without committing itself or the Purchaser to pay, any consideration or incur any liability or obligation without the prior written consent of the Purchaser;

(c) use commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from the Company and its Subsidiaries relating to the Arrangement, and obtain all Regulatory Approvals as necessary or advisable to be obtained in connection with the Arrangement;

(d) use commercially reasonable efforts to, upon reasonable consultation with the Purchaser, oppose, lift or rescind any injunction, restraining or other order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it or any of its Subsidiaries is a party or brought against it or any of its Subsidiaries or any of their respective directors or officers challenging or affecting the Arrangement or the Arrangement Agreement;

(e) use its commercially reasonable efforts to secure the resignations and customary mutual releases (in a form satisfactory to the Purchaser, acting reasonably) of the directors of the Company and its Subsidiaries, at the Purchaser's request;

(f) not take any action, and use commercially reasonable efforts to not permit any action to be taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement; and

(g) not refrain from taking any commercially reasonable action, where the failure to take such action would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement.

The Company has agreed to promptly notify the Purchaser in writing of:

(a) any Material Adverse Effect;

(b) unless prohibited by Law, any notice or other communication received by the Company or any of its Subsidiaries from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is or may be required in connection with the Arrangement Agreement or the Arrangement (including a copy of any such written notice or communication);

(c) unless prohibited by Law, any notice or other communication received by the Company or any of its Subsidiaries from any supplier, customer or any counterparty to a Material Contract to the effect that such supplier, customer, or counterparty is terminating or otherwise materially adversely modifying its relationship with the Company or any of its Subsidiaries as a result of the Arrangement Agreement or the Arrangement (including a copy of any such written notice or communication);

(d) any notice or other communication from any Governmental Entity (other than Governmental Entities in connection with the Competition Act Approval, which shall be addressed as contemplated by section 4.4 of the Arrangement Agreement) in connection with the Arrangement Agreement or the Arrangement (and, subject to Law, the Company shall contemporaneously provide a copy of any such written notice or communication to the Purchaser); or

(e) any filings, actions, suits, claims, investigations, or proceedings commenced or, to its knowledge, threatened against, relating to or involving the Company or any of its Subsidiaries in connection with the Arrangement or the Arrangement Agreement (provided that matters relating to the Competition Act Approval shall be addressed as contemplated by section 4.4 of the Arrangement Agreement).

Covenants of the Purchaser Relating to the Arrangement

Subject to section 4.4 of the Arrangement Agreement (which shall govern in relation to the Competition Act Approval) and section 4.6 of the Arrangement Agreement (which shall govern in relation to the Financing), the Purchaser shall perform all obligations required to be performed by it under the Arrangement Agreement, cooperate with the Company in connection therewith, and use its commercially reasonable efforts to perform all such other actions as may be necessary or advisable in order to, subject to the terms and conditions set out in the Arrangement Agreement, consummate and make effective, as soon as reasonably practicable, the Arrangement and, without limiting the generality of the foregoing, the Purchaser has agreed to, and will cause each of their affiliates to, subject to the terms and conditions set out in the Arrangement Agreement:

(a) use commercially reasonable efforts to satisfy all conditions precedent in section 6.1 and section 6.3 of the Arrangement Agreement and take all steps set forth in the Interim Order and Final Order applicable to it and comply promptly with all requirements imposed by Law on it with respect to the Arrangement Agreement or the Arrangement;

(b) use commercially reasonable efforts to enforce the provisions of the Rollover Agreements;

(c) cooperate with the Company in connection with, and use commercially reasonable efforts to assist the Company to obtain and maintain all third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are (i) necessary to be obtained under the Material Contracts in connection with the Arrangement, (ii) required in order to maintain the Material Contracts in full force and effect following completion of the Arrangement or (iii) necessary to be obtained under any Contracts that are not material Contracts in connection with the Arrangement to the extent requested by the Purchaser, acting reasonably, in each case, on terms that are reasonably satisfactory to the Purchaser, and without committing itself or the Company to pay any consideration or to incur any liability or obligation that is not conditioned on consummation of the Arrangement;

(d) use commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Arrangement, and obtain all Regulatory Approvals as necessary or advisable to be obtained in connection with the Arrangement, subject to section 4.4(6) of the Arrangement Agreement;

(e) use commercially reasonable efforts, upon reasonable consultation with the Company, to oppose lift or rescind any injunction, restraining or other order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging or affecting the Arrangement or the Arrangement Agreement;

(f) not, without the prior written consent of the Company (not to be unreasonably withheld, conditioned or delayed), amend, supplement, alter or otherwise modify, waive any provision of, or enter into any agreement, arrangement or understanding in respect of the subject matter of (i) any Rollover Agreement or (ii) any Voting Agreement;

(g) not take any action, and use commercially reasonable efforts to not permit any action to be taken, which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement;

(h) not take any action, and use commercially reasonable efforts to not permit any action to be taken, which would reasonably be expected to result in a CMHC Adverse Event;

(i) not refrain from taking any commercially reasonable action, where the failure to take such action would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by the Arrangement Agreement.

The Purchaser has agreed to promptly notify the Company in writing of any (a) breach, in any material respect, of the representations, warranties and covenants of the Purchaser hereunder or (b) filings, actions, suits, claims, investigations or proceedings commenced or, to their knowledge, threatened against, relating to or involving the Purchaser that relate to the Arrangement Agreement or the Arrangement.

Competition Act Approval

The Purchaser has agreed to, within ten (10) Business Days following the date of the Arrangement Agreement, or such other period of time as may be agreed to by the Parties in writing, file, or cause to be filed, with the Commissioner a submission in respect of the transactions contemplated by the Arrangement Agreement requesting an advance ruling certificate under section 102 of the Competition Act or in the alternative a No Action Letter and such submission shall explain why

the transactions contemplated by the Arrangement Agreement will not prevent or lessen, or be likely to prevent or lessen, competition substantially within the meaning of section 92 of the Competition Act; and within twenty (20) Business Days following the date of the Arrangement Agreement, or such other period of time as may be agreed to by the Parties in writing, file, or cause to be filed, with the Commissioner a pre-merger notification pursuant to Part IX of the Competition Act in relation to the transactions contemplated by the Arrangement Agreement.

The Company has agreed to, within twenty (20) Business Days following the date of the Arrangement Agreement or such other period of time as may be agreed to by the Parties in writing, file, or cause to be filed, with the Commissioner a pre-merger notification pursuant to Part IX of the Competition Act in relation to the transactions contemplated by the Arrangement Agreement.

The Parties have agreed to, and to cause their respective affiliates to, promptly and expeditiously make all additional filings as are reasonably required to obtain the Competition Act Approval so as to permit the Closing to occur at the earliest possible date and in any event prior to the Outside Date, and will promptly provide all information, documents and data to any Governmental Entity as may be requested, required or ordered pursuant to statutory and non- statutory requests for information, supplemental information requests, second requests and any court orders in connection with the Competition Act Approval. Without limiting the generality of the foregoing, the Parties have agreed to respond to a supplemental information request issued under subsection 114(2) of the Competition Act, in a manner that is correct and complete in all material respects, within sixty (60) Business Days following the date of such request, or such other period of time as may be agreed to by the Parties in writing.

The Purchaser and the Company have agreed to exchange advance drafts of all proposed submissions, filings, applications, correspondence and other documents to be filed with any Governmental Entity in respect of the Competition Act Approval, consider in good faith any suggestions and comments made in relation thereto by the other Party and its counsel, and provide the other Party and its counsel with final, as-submitted copies of all such submissions, filings, applications, correspondence and other documents; provided, however, that highly confidential or competitively sensitive information (including in respect of future businesses and plans), as reasonably designated by the disclosing Party, may be provided only to the external legal counsel of the other Party (and will not be provided or disclosed to the other Party). The Purchaser and the Company have agreed to keep each other fully apprised of all communications with any Governmental Entity in respect of the Arrangement Agreement or the transactions contemplated by the Arrangement Agreement, including providing to each other on a timely basis copies of all written communications that are received from any Governmental Entity, and will not participate in such communications or meetings with any Governmental Entity where substantive matters in respect of the Arrangement Agreement or the transactions contemplated by the Arrangement Agreement are expected to be discussed, without giving the other Party and its counsel the opportunity to participate therein, except to the extent that highly confidential or competitively sensitive information (including in respect of future businesses and plans), as reasonably designated by the disclosing Party, is discussed, in which case external legal counsel for the relevant Party will be given the opportunity to participate.

The Purchaser has agreed to, and to cause its affiliates to, use its commercially reasonable efforts to obtain the Competition Act Approval so as to permit the Closing to occur at the earliest practicable date and in any event prior to the Outside Date, including:

(a) not withdrawing any filings or notifications in respect of the Competition Act Approval or agreeing to extend any waiting periods or review periods without the prior written consent of the Company;

(b) if any objections are asserted with respect to the transactions contemplated by the Arrangement Agreement under any Law, or if any proceeding is threatened by any Governmental Entity challenging or which could lead to a challenge of any of the transactions contemplated by the Arrangement Agreement as not in compliance with Law or as not satisfying any applicable legal test under a Law necessary to obtain the Competition Act Approval, use commercially reasonable efforts consistent with the terms of the Arrangement Agreement to resolve such objections or threatened proceedings, so as to allow the Effective Time to occur on or prior to the Outside Date; and

(c) not entering into any transaction, including any merger, acquisition, joint venture, disposition or contract that would reasonably be expected to prevent, impede or materially delay the obtaining of, or materially increase the risk of not obtaining, the Competition Act Approval.

Notwithstanding section 4.4(5) of the Arrangement Agreement or any other provision of the Arrangement Agreement, none of the Purchaser, the Sponsors or their respective affiliates (including any current or future investment funds or investment vehicles affiliated with, or managed or advised by, a Sponsor or its affiliates, or any portfolio company (as such term is commonly understood in the private equity industry) or investment of a Sponsor or its affiliates or of any such investment fund or investment vehicle) shall be required to propose, negotiate, agree to, accept or effect any conditions, undertakings or requirements to, directly or indirectly, (a) divest, transfer, license, sell, hold separate or otherwise restrict the rights of ownership in, any operations, divisions, subsidiaries, businesses, assets, products or product lines of, or (b) terminate or modify any existing relationships or contractual rights and obligations of, the Purchaser, the Sponsors and their respective affiliates (including any current or future investment funds or investment vehicles affiliated with, or managed or advised by, a Sponsor or its affiliates, or any portfolio company (as such term is commonly understood in the private equity industry), investment of a Sponsor or its affiliates or of any such investment fund or investment vehicle) or the Company and its Subsidiaries (and none of the Company and its Subsidiaries shall, without the written consent of the Purchaser, take any action, or commit to take any action, or agree to any condition or limitation contemplated by clauses (a) and (b)); provided, however, the Purchaser, the Company and its Subsidiaries shall be obliged to propose, negotiate, agree to, accept or effect any commercially reasonable behavioural commitments or undertakings, or such limitations on the operations of the Purchaser, the Company and its Subsidiaries, that would not, individually or in the aggregate, materially impair or materially reduce the benefits expected to be realized by the Purchaser from the consummation of the transactions contemplated by the Arrangement

Agreement, as may be required to obtain the Competition Act Approval at the earliest practicable date and in any event prior to the Outside Date.

The Purchaser shall be responsible for paying the filing fee associated with the Competition Act Approval.

Purchaser Financing and Assistance with Purchaser Financing

The Purchaser has agreed to use reasonable best efforts to take or cause to be taken all actions and to do, or cause to be done, all things necessary, proper or advisable to arrange and obtain the proceeds of the Financing on the terms and conditions described in the Commitment Letters, and shall not permit, without the prior written consent of the Company, any amendment or modification to be made to, or any waiver or release of any provision or remedy to be made under, the Commitment Letters or any definitive agreement or documentation in connection therewith (including any fee letter) if such amendment, modification, waiver or release would (a) reduce the aggregate amount of the Financing to an amount below that which would be required for the Purchaser to effect payment in full of the Consideration on Closing or (b) otherwise (including through the imposition of new or additional conditions precedent to the availability of the Financing) be reasonably expected to impair, prevent or materially delay the consummation of the Financing or the consummation of the transactions contemplated by the Arrangement Agreement or adversely impact the ability of the Purchaser to enforce its rights against the other parties to the Commitment Letters or any definitive agreements or documentation with respect thereto. Notwithstanding the foregoing, the Purchaser may amend or otherwise modify the Debt Commitment Letter to (i) add lenders, lead arrangers, bookrunners, syndication agents or similar entities that have not executed the Debt Commitment Letter as of the date of the Arrangement Agreement or (ii) in accordance with any "flex" provisions contained in any Debt Commitment Letter or fee letter in connection with the Debt Financing. The Purchaser shall not release or consent to the termination of the obligations of the lenders under the Debt Commitment Letter, except for assignments and replacements of an individual lender under the terms of, and only in connection with, the syndication of the Debt Financing pursuant to the Debt Commitment Letter.

Without limiting the generality of the above, the Purchaser agreed to, and to cause its affiliates to, use reasonable best efforts to: (a) maintain in effect the Commitment Letters until the transactions contemplated by the Arrangement Agreement are consummated or the Arrangement Agreement is otherwise terminated; (b) satisfy (or obtain waiver of), on a timely basis, all conditions, covenants, terms, representations and warranties in the Commitment Letters (and any definitive documentation related thereto) at or prior to the Closing and otherwise comply with its obligations thereunder; (c) enter into definitive agreements and documentation with respect to the Debt Financing as soon as reasonably practicable but in any event prior to the Closing, on the terms and conditions (including the flex provisions contained in any fee letter in respect of the Debt Financing) contemplated by the Debt Commitment Letter; (d) upon satisfaction or waiver of all conditions in the Commitments Letters required to be satisfied on or prior to the Closing, consummate the Financing prior to or contemporaneously with the Closing; and (e) enforce its rights under the Commitment Letters (and any definitive documentation related thereto); provided that all conditions set forth in section 6.1 and section 6.2 of the Arrangement Agreement have been satisfied or waived (other than those to be satisfied at the Closing (but subject to satisfaction or waiver at Closing)). If requested by the Company, the Purchaser will deliver to the Company true,

correct and complete copies (provided that such copies may be subject to customary redactions with respect to rates, fee amounts, economic terms and other confidential or commercially sensitive information) of any executed definitive agreements and documentation entered into in connection with the Debt Financing promptly when available.

The Purchaser will keep the Company informed with respect to all material activity concerning the status of the Debt Financing and will give the Company prompt notice of any material change in or with respect to the Debt Financing. Without limiting the generality of the foregoing, the Purchaser shall give the Company prompt notice: (a) of any breach, threatened (in writing) breach or default (or any event or circumstance that, with or without notice, lapse of time or both, would reasonably be expected to give rise to any breach or default) by any party to the Debt Commitment Letter or definitive document related to the Debt Financing of which the Purchaser becomes aware; (b) of the receipt of any written notice or other written communication from any Person with respect to any actual or potential breach, default, termination or repudiation by any party to the Debt Commitment Letter or any definitive document related to the Debt Financing or a request for amendments or waivers thereto that are or could be reasonably expected to be adverse to the timely completion of the Debt Financing; (c) if for any reason the Purchaser believes in good faith that it will not be able to obtain all or any portion of the Debt Financing on the terms, in the manner or from the sources contemplated by the Debt Commitment Letter or the definitive documents related to the Debt Financing including if the Purchaser has any reason to believe that it will be unable to satisfy, on a timely basis, any term or condition of the Debt Financing or any definitive document related to the Debt Financing; and (d) if the Debt Financing or the definitive documents related to the Debt Financing will expire or be terminated for any reason. As soon as reasonably practicable, but in any event within two (2) Business Days after the date the Company delivers to the Purchaser a written request, the Purchaser shall provide any information reasonably requested by the Company relating to any circumstance referred to in clause (a), (b), (c) or (d) of the immediately preceding sentence.

If any portion of the Debt Financing becomes unavailable or would reasonably be expected to become unavailable in the manner or from the sources contemplated in the Debt Commitment Letter (including the flex provisions contained in respect of the Debt Financing), unless such portion of the Debt Financing is not reasonably required to consummate the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement, the Purchaser has agreed to use reasonable best efforts to arrange and obtain, as promptly as practicable, alternative financing from the same or alternative sources in an amount, together with the amount of other Financing available, sufficient to consummate the transactions contemplated by the Arrangement Agreement and the Plan of Arrangement on a basis that is not subject to any new or additional conditions precedent not contained in the Debt Commitment Letter and otherwise on terms and conditions (including any "flex" provisions in respect of the Debt Financing) as are reasonably acceptable to the Purchaser, provided that such reasonable best efforts shall not require the Purchaser to pay more fees (including original issue discount) or agree to pricing or other economic terms or a financing covenant that, when taken as a whole, are materially less favourable from the perspective of the Purchaser than the corresponding terms and conditions contained in the Debt Commitment Letter, and deliver to the Company true, correct and complete copies (provided that such copies may be subject to customary redactions with respect to rates, fee amounts, economic terms and other confidential or commercially sensitive information) of such alternative commitments when available. For the avoidance of doubt, the Purchaser arranging and obtaining,

in replacement of the Debt Financing, new or replacement financing in accordance with the Arrangement Agreement shall not modify or affect in any way the Company's rights pursuant to the Arrangement Agreement or the Purchaser's obligations pursuant to the Arrangement Agreement.

The Purchaser has acknowledged and agreed that the Purchaser obtaining financing is not a condition to any of its obligations of the Purchaser under the Arrangement Agreement, regardless of the reasons why financing is not obtained or whether such reasons are within or beyond the control of the Purchaser. For the avoidance of doubt, if any financing referred to in section 4.6 of the Arrangement Agreement is not obtained, the Purchaser will continue to be obligated to consummate the Arrangement, subject to and on the terms contemplated by the Arrangement Agreement.

The Company has agreed to, and to cause each of its Subsidiaries to, use reasonable best efforts to provide such cooperation to the Purchaser as the Purchaser may reasonably request in connection with the arrangements by the Purchaser to obtain the advance of the Debt Financing as contemplated in the Debt Commitment Letter (provided that such request is made on reasonable notice and reasonably in advance of the Closing and further provided such cooperation does not unreasonably interfere with the ongoing operations of the Company and its Subsidiaries), including (and subject to the foregoing), as so requested:

(a) participating (and using reasonable best efforts to cause members of senior management with appropriate seniority and expertise to participate) in a reasonable number of meetings, conference calls, presentations, sessions with Debt Financing Sources and prospective lenders and due diligence sessions;

(b) cooperating reasonably with the Financing Sources in respect of their due diligence requests, and furnishing to the Purchaser and the Financing Sources any documentation and information with respect to the Company and its Subsidiaries that shall have been reasonably requested by the Financing Sources and/or that is required by regulatory authorities in connection with the Debt Financing under applicable "know your customer" and anti-money laundering rules and regulations;

(c) reasonably assisting with the preparation of appropriate and customary materials for rating agency presentations, offering and syndication documents (including lender and investor presentations, bank information memoranda and similar documents) and other customary marketing documents required in connection with the Debt Financing;

(d) executing and delivering any guarantee, pledge and security documents or other definitive financing documents as may be reasonably requested by the Purchaser and cooperating with the Purchaser in satisfying customary conditions precedent with respect to the initial funding set forth in the Debt Commitment Letter to the extent satisfaction thereof requires the reasonable cooperation, or is within the control of, the Company and its Subsidiaries; provided that any obligations contained in such documents shall be effective no earlier than as of the Effective Time;

(e) subject to the access and confidentiality restrictions in the Arrangement Agreement, furnishing the Purchaser as promptly as reasonably practicable with available financial and other reasonably required or customary information regarding the Company, any of its Subsidiaries or any combination of such Persons, as specifically required by the Debt Commitment Letter;

(f) obtaining customary payout letters, estoppel letters and other customary third party consents in connection with the repayment of the indebtedness outstanding (if any) under any existing credit facilities of the Company or any of its Subsidiaries, including the Company Credit Facility, and the release of guarantees incurred, and Liens granted, by the Company and its Subsidiaries to secure any such indebtedness, on Closing, as reasonably requested by the Purchaser to assist in the arrangement of the Debt Financing or the Closing, and for certainty, to the extent the Debt Commitment Letter provides that such repayment or release is a condition to closing of the Debt Financing (provided that, for certainty, such discharges shall not be required to take effect, and the Company and its Subsidiaries shall not be required to make any payment in connection with the foregoing, before the Effective Time); and

(g) obtaining and maintaining third party or other consents or waivers necessary to be obtained under the Material Contracts or required in order to maintain the Material Contracts in full force and effect in connection with the Debt Financing.

Notwithstanding the foregoing:

(a) The Company or any of its Subsidiaries and their respective Representatives shall only be required to undertake the actions described above provided that:

(i) the Company shall not be required to provide, or cause any of its Subsidiaries to provide, cooperation that involves any binding commitment or agreement (including the entry into any agreement or the execution of any certificate) by the Company or its Subsidiaries (or commitment or agreement which becomes effective prior to the Effective Time) which is not conditional on the completion of the Arrangement and does not terminate without liability to the Company and its Subsidiaries upon the termination of the Arrangement Agreement;

(ii) neither the Company nor any of its Subsidiaries shall be required to take any action pursuant to any Contract, certificate or instrument that is not contingent upon the occurrence of the Effective Time or that would be effective prior to the Effective Time;

(iii) neither the Board nor any of the Company's Subsidiaries' boards of directors (or equivalent bodies) shall be required to approve or adopt any Debt Financing or Contracts related thereto prior to the Effective Time;

(iv) no employee, officer or director of the Company or any of its Subsidiaries shall be required to take any action which would result in such Person incurring any personal liability (as opposed to liability in such Person's capacity as an officer) with respect to the matters related to the Debt Financing; and

(v) any Financing Sources acknowledge the confidentiality of Confidential Information (as defined in the Confidentiality Agreements) received by them including through customary "click-through" confidentiality undertakings on electronic data sites.

(b) None of the Company nor any Subsidiary of the Company will be required to:

(i) pay or agree to pay any commitment, consent or other fee or incur any other cost, expense or liability in connection with any such financing prior to the Effective Time;

(ii) take any action or do anything that would contravene any Law, contravene any Contract or be capable of impairing, preventing or delaying the satisfaction of any condition set forth in article 6 of the Arrangement Agreement;

(iii) commit to take any action that is not contingent on the consummation of the Arrangement; or

(iv) disclose any information that in the reasonable judgment of the Company would result in the disclosure of any trade secrets or similar information (other than through the use of a clean team structure as appropriate) or violate any obligations of the Company or any other Person with respect to confidentiality or which would be reasonably likely to constitute a waiver of solicitor-client privilege.

For greater certainty, all non-public or otherwise confidential information regarding the Company obtained by the Purchaser or its Representatives pursuant to the foregoing is information which is subject to the Confidentiality Agreements and will be treated in accordance with the Confidentiality Agreements. In addition, no such cooperation by the Company pursuant to the above shall be considered to constitute a breach of the representations, warranties or covenants of the Company under the Arrangement Agreement.

The Purchaser has agreed to indemnify and hold harmless the Company, its Subsidiaries and their respective directors, officers, shareholders, employees, agents and Representatives from and against any and all liabilities, losses, damages, claims, costs, expenses, interest, awards, judgments and penalties suffered or incurred by any of them in connection with or as a result of any financing or potential financing by the Purchaser or any actions or omissions by any of them in connection with any request by the Purchaser made under the Arrangement Agreement and for any alleged misstatement or omission in any information provided under the Arrangement Agreement at the

request of the Purchaser, except to the extent arising from the wilful misconduct or gross negligence of the Company, any of its affiliates or any of their respective Representatives. The Purchaser has agreed to promptly, upon request by the Company, reimburse the Company for all reasonable and documented costs and expenses (including legal fees) incurred by the Company and its Subsidiaries and their respective agents and Representatives in connection with any of the foregoing and in connection with any assistance provided pursuant to the above requirements.

Ratings

The Company has agreed to promptly notify the Purchaser if, prior to Closing, DBRS Limited or any other rating agency advises the Company that it is contemplating an adverse change in the rating or rating outlook applicable to any of (a) the Company Notes, (b) the Preferred Shares, (c) the senior unsecured long-term debt of the Company or any of its Subsidiaries, (d) the special or primary residential mortgage servicing capability of the Company or any of its Subsidiaries, or (e) the issuer rating of the Company or any of its Subsidiaries (collectively, the "**Rated Matters**") or has placed or is contemplating placing any of the Rated Matters, as applicable, on a credit watch, ratings alert or other comparable downgrade warning, under review with negative or developing implications, or under review for possible downgrade or with direction uncertain.

At such times reasonably requested by the Purchaser (if any), the Company shall, and shall cause each of its Subsidiaries to, use commercially reasonable efforts to promptly contact, communicate with and engage any rating agency in relation to any Rated Matter in connection with the transactions contemplated by the Arrangement Agreement, including facilitating discussions, negotiations and proceedings between the Parties and such rating agency regarding any ratings assessment, ratings evaluations or similar review, provided such cooperation does not unreasonably interfere with the ongoing operations of the Company and its Subsidiaries. The Purchaser shall pay all applicable rating agency fees and expenses in connection with therewith.

The Company has agreed not to, and to cause each of its Subsidiaries not to: (a) other than in the Ordinary Course, contact, communicate with or engage any rating agency in relation to any Rated Matter without informing the Purchaser reasonably in advance of such contact, communication or engagement and providing the Purchaser with (i) the opportunity to review and comment upon in advance any written communication to be sent by or on behalf of the Company to any such rating agency, (ii) a copy of such written communication, and (iii) the opportunity to participate in any discussions, negotiations or proceedings with or including any such rating agency; or (b) remove or purposely cause the removal of or permit the removal of DBRS Limited as a rating agency for any Rated Matter or add or cause to be added a rating agency other than DBRS Limited as a rating agency for any Rated Matter.

Notice and Cure Provision

Each Party has agreed to promptly notify the other Party of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be reasonably likely to (a) cause any of the representations or warranties of such Party contained in the Arrangement Agreement to be untrue or inaccurate at any time from the date of the Arrangement Agreement to the Effective Time if such failure to be true or accurate would cause any condition in section 6.2(1) (*Company Representations and Warranties Condition*) or section 6.3(1) (*Purchaser Representations and Warranties Condition*) of the Arrangement Agreement, as applicable, to not

be satisfied; or (b) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with by such Party under the Arrangement Agreement if such failure to comply would cause any condition in section 6.2(2) (*Company Covenants Condition*) or section 6.3(2) (*Purchaser Covenants Condition*) of the Arrangement Agreement, as applicable, to not be satisfied.

Notification provided under section 4.2(2) or section 4.3(2) of the Arrangement Agreement or pursuant to the immediately preceding paragraph will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under the Arrangement Agreement. In addition, the failure by any Party to provide a notification pursuant to section 4.2(2) or section 4.3(2) of the Arrangement Agreement or the immediately preceding paragraph shall not be considered in determining whether any condition in section 6.2, section 6.3(1) or section 6.3(2) of the Arrangement Agreement has been satisfied.

The Purchaser may not elect to exercise its right to terminate the Arrangement Agreement pursuant to section 7.2(1)(d)(i) (*Breach of Company Representations, Warranties and Covenants*) of the Arrangement Agreement and the Company may not elect to exercise its right to terminate the Arrangement Agreement pursuant to section 7.2(1)(c)(i) (*Breach of Purchaser Representations, Warranties and Covenants*) of the Arrangement Agreement, unless the Party seeking to terminate the Arrangement Agreement (the "**Terminating Party**") has delivered a written notice ("**Termination Notice**") to the applicable other Party (the "**Breaching Party**") specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date (with any wilful breach being deemed to be incurable), the Terminating Party may not exercise such termination right until the earlier of (a) the Outside Date, and (b) the date that is fifteen (15) Business Days following receipt of such Termination Notice by the Breaching Party, if such matter has not been cured by such date. If the Terminating Party delivers a Termination Notice less than fifteen (15) Business Days prior to the date of the Meeting, unless the Parties mutually agree otherwise, the Company shall postpone or adjourn the Meeting to the earlier of (i) ten (10) Business Days prior to the Outside Date and (ii) the date that is fifteen (15) Business Days following receipt of such Termination Notice by the Breaching Party.

Insurance and Indemnification

Prior to the Effective Date, the Company has agreed to purchase customary "tail" or "run off" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate than the protection provided by the policies maintained by the Company and its Subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date and the Purchaser will, or will cause the Company and its Subsidiaries to maintain such policies in effect without any reduction in scope or coverage for six (6) years from the Effective Date; provided that: (a) the Purchaser shall not be required to pay any amounts in respect of such coverage prior to the Effective Time; and (b) the cost of such policies shall not exceed 300% of the Company's current annual aggregate premium for policies currently maintained by the

Company or its Subsidiaries. The Purchaser has agreed to cause the Company to, from and after the Effective Time, to the extent permitted by Law, honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of the Company and its Subsidiaries set forth in the Company Disclosure Letter, and acknowledges that such rights shall survive the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms, to the extent permitted by Law, with respect to actions or omission of such employees, officers and directors occurring prior to the Effective Date, for a period of not less than six (6) years from the Effective Date.

If the Purchaser, the Company or any of its Subsidiaries or any of their respective successors or assigns (a) consolidates with or merges into any other Person and is not a continuing or surviving corporation or entity of such consolidation or merger, or (b) transfers all or substantially all of its properties and assets to any Person, the Purchaser has agreed to ensure that any such successor or assign (including, as applicable, any acquirer of substantially all of the properties and assets of the Company or its Subsidiaries) assumes all of the obligations set forth above.

Employee Matters

Subject to the below paragraph, for a period of not less than twelve (12) months following the Effective Time, the Purchaser has agreed to provide, or cause the Company or a Subsidiary of the Company to provide, to each Company Employee, base salary, annual bonus and employee benefits (excluding, in all cases, any change in control, retention, Defined Benefit Pension Plan and retiree welfare benefits) that, in each case, are no less favourable in the aggregate to those provided to the Company Employees immediately prior to the Effective Time, unless otherwise agreed between a Company Employee and the Company or a Subsidiary of the Company.

The provisions in the above paragraph are solely for the benefit of the Parties to the Arrangement Agreement and do not constitute a guarantee of employment or prevent the Purchaser from causing the Company to terminate the employment of any Company Employee in accordance with applicable Law. No provision of the above paragraph is intended to, or shall, constitute the establishment or adoption of or an amendment to any employee benefit plan. No provision of section 4.13 of the Arrangement Agreement is intended to, or shall limit the right of the Purchaser to amend or terminate any Employee Plan, subject to applicable Law. Except as otherwise explicitly provided for in the Arrangement Agreement, no current or former employee or any other individual associated therewith shall be regarded for any purpose as a third-party beneficiary of the Arrangement Agreement or have the right to enforce the provisions thereof.

TSX Delisting

Subject to applicable Law, prior to the Effective Time, the Company has agreed to use commercially reasonable efforts to cause the Common Shares to be delisted from the TSX as promptly as practicable following the Effective Time. In furtherance of the foregoing, the Parties have agreed to cooperate in taking, or causing to be taken, all reasonable actions necessary to enable delisting of the Common Shares from the TSX (including, if reasonably requested by the Purchaser, such items as may be necessary to delist the Common Shares promptly after the Effective Date).

Non-Solicitation

Except as expressly provided in article 5 of the Arrangement Agreement, the Company has agreed not to, and to cause its Subsidiaries not to, directly or indirectly, through any of its or its Subsidiaries' Representatives or otherwise, and not to permit any such Person to:

(a) solicit, assist, initiate, knowingly encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, technology, books or records of the Company or any Subsidiary) any inquiry, proposal or offer (whether public or otherwise) that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(b) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than with the Purchaser, the Sponsors, or their respective affiliates or Representatives) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal; provided that, for greater certainty, the Company shall be permitted to: (i) communicate with any Person who has made such inquiry, proposal or offer solely for purposes of clarifying the terms of such inquiry, proposal or offer made by such Person; (ii) advise any Person of the restrictions of the Arrangement Agreement; and (iii) advise any Person making an Acquisition Proposal that the Board has determined that such Acquisition Proposal does not constitute, or is not reasonably expected to constitute or lead to, a Superior Proposal;

(c) make a Change in Recommendation; or

(d) accept or enter into, or publicly propose to accept or enter into, any Contract in respect of an Acquisition Proposal (other than an Acceptable Confidentiality Agreement permitted by and in accordance with section 5.3 of the Arrangement Agreement, as described below under the heading "*Responding to an Acquisition Proposal*").

The Company has agreed to, and to cause its Subsidiaries and its and their respective Representatives to, immediately cease and terminate any solicitation, encouragement, discussion, negotiation or other activities with any Person (other than with the Purchaser, the Sponsors and their respective affiliates and Representatives) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and, in connection therewith, the Company will:

(a) promptly discontinue access to and disclosure of all confidential information of the Company or any of its Subsidiaries, including any data room and any access to the properties, facilities, technology, books and records of the Company or of any of its Subsidiaries; and

(b) promptly request (i) the return or destruction of all copies of any confidential information regarding the Company or any Subsidiary provided to any Person (other than the Purchaser, its affiliates or their respective Representatives) since December 31, 2024 in respect of a possible Acquisition Proposal, and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Company or any Subsidiary, to the extent that such information has not previously been returned or destroyed, in each case, using commercially reasonable efforts to ensure that such rights are complied with in accordance with the terms of such rights.

The Company has represented and warranted that since December 31, 2024, the Company, its Subsidiaries and its and their respective Representatives have not waived any standstill or similar agreement or restriction to which the Company or any of its Subsidiaries is a party with any Person. The Company agreed that it shall (a) use commercially reasonable efforts to enforce any confidentiality, standstill or similar agreement or restriction to which the Company or any Subsidiary is a party, and (b) not release any Person from, or waive, amend, suspend or otherwise modify any Person's obligations respecting the Company, or any of its Subsidiaries, under any confidentiality, standstill or similar agreement or restriction to which the Company or any Subsidiary is a party (it being acknowledged by the Purchaser that the automatic termination or release of any standstill restrictions of any such agreements pursuant to their respective terms in effect as of the date of the Arrangement Agreement as a result of the entering into and announcement of the Arrangement Agreement shall not be a violation of this clause).

Notification of Acquisition Proposals

If the Company or any of its Subsidiaries or, to the knowledge of the Company, any of their respective Representatives receives any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Company or any of its Subsidiaries in connection with any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, the Company has agreed to promptly notify the Purchaser, at first orally, and then within twenty-four (24) hours in writing, of such inquiry, proposal, offer or request, including a description of its material terms and conditions and the identity of all Persons making the inquiry, proposal, offer or request, and provide a copy of the Acquisition Proposal if made in writing to the Company or any of its Subsidiaries or Representatives (including any other documents containing material terms and conditions of such Acquisition Proposal) and, if not in writing, a written description of any such material terms or conditions. The Company has agreed to keep the Purchaser reasonably informed of the status of material and substantive developments and the status of discussions and negotiations with respect to such inquiry, proposal, offer or request, including any material changes, modifications or other amendments to any such inquiry, proposal or offer, and shall promptly, and in any event within twenty-four (24) hours, provide to the Purchaser copies of all written agreements or other documents containing material terms or conditions of such inquiry, proposal, offer or request, and, if not in writing, a written description of any such material correspondence not in writing, relating to or in connection with such inquiry, proposal, offer or request.

Responding to an Acquisition Proposal

Notwithstanding section 5.1 of the Arrangement Agreement, if, at any time prior to obtaining the approval of the Shareholders of the Arrangement Resolution the Company receives a *bona fide* Acquisition Proposal, the Company may engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal and may provide copies of, access to or disclosure of confidential information, properties, facilities, technology, books or records of the Company or its Subsidiaries to such Person, if and only if:

(a) the Board first determines in good faith, after consultation with its financial advisor(s) and outside legal counsel, that such Acquisition Proposal constitutes, or could reasonably be expected to constitute or lead to a Superior Proposal;

(b) such Person was not restricted from making such Acquisition Proposal pursuant to an existing standstill or similar restriction with the Company or any of its Subsidiaries;

(c) the making of the Acquisition Proposal by such Person did not result from any non-de minimis breach by the Company of section 5.1(1) of the Arrangement Agreement (as described above under the heading "*Non-Solicitation*") or any breach of any other provision of article 5 of the Arrangement Agreement in any material respect;

(d) prior to providing any such copies, access or disclosure, the Company (i) enters into an Acceptable Confidentiality Agreement with such Person (or an affiliate of such Person) and (ii) provides the Purchaser with an executed copy thereof; and

(e) if applicable, the Company promptly provides the Purchaser any written non-public information concerning the Company and its Subsidiaries provided to such other Person which was not previously provided to the Purchaser.

If the Company is entitled, pursuant to the above, to engage in or participate in discussions or negotiations with, and otherwise cooperate with or assist, a Person or group of Persons making an Acquisition Proposal, it may (a) so advise any Rollover Shareholder and (b) provided that the Company has complied with its applicable notification obligations to the Purchaser in the Arrangement Agreement, engage in or participate in discussions or negotiations with a Rollover Shareholder and provide written information to such Rollover Shareholder in response to a request for information made by such Rollover Shareholder, for the purpose of determining whether the Rollover Shareholder, in its capacity as a Shareholder, would be likely to support and vote in favour of such Acquisition Proposal and enter into agreements in respect of the Acquisition Proposal, including, for greater certainty, agreements relating to voting support and rollover or reinvestment of any securities or the proceeds thereof, as applicable, and related to governance matters and, if applicable, future employment or other role of such Rollover Shareholder or its beneficial owners; provided further that, for greater certainty, the foregoing shall not in any way restrict the Company, the Board or the Special Committee from engaging or participating in any discussions or negotiations with, or providing any information to, a Rollover Shareholder or its beneficial owner in their capacity as a director or officer of the Company. For the avoidance of

doubt, the Company may so engage in or participate in discussions or negotiations with, or so provide information to, a Rollover Shareholder on more than one occasion upon any amendment to any Acquisition Proposal or receipt of another Acquisition Proposal.

Right to Match

If the Company receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by Shareholders, the Board may make a Change in Recommendation with respect to such Superior Proposal, if and only if:

(a) the making of the Acquisition Proposal by such Person did not result from any non-*de minimis* breach by the Company under section 5.1(1) of the Arrangement Agreement (as described above under the heading "*Non-Solicitation*") or any other provision of article 5 of the Arrangement Agreement in any material respect;

(b) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill or similar agreement or restriction with the Company or any of its Subsidiaries;

(c) the Company or its Representatives have delivered to the Purchaser a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention to make a Change in Recommendation (the "**Superior Proposal Notice**");

(d) the Company or its Representatives have provided to the Purchaser a copy of the proposed definitive agreement for the Superior Proposal and all ancillary documentation (and supporting materials) containing material terms and conditions of the Superior Proposal (including any financing documents subject to customary confidentiality provisions) provided to the Company, including the value in financial terms that the Board has, after consultation with outside financial advisors, determined should be ascribed to any non-cash consideration offered under the Superior Proposal;

(e) at least five (5) Business Days (the "**Matching Period**") have elapsed from the date that is the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received a copy of all material set forth in clause (d), above;

(f) during any Matching Period, the Purchaser has had the opportunity (but not the obligation), in accordance with section 5.4(3) of the Arrangement Agreement (as described below under this "*Right to Match*" heading), to offer to amend the Arrangement Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal; and

(g) after the Matching Period, the Board has determined in good faith after consultation with its: (i) financial advisor(s) and outside legal counsel, that such Acquisition Proposal continues to constitute a Superior Proposal (and, if applicable, compared to the terms of the Arrangement as proposed to be amended by the Purchaser under section 5.4(3) of the Arrangement Agreement (as described below under this "*Right to Match*" heading)); and (ii) outside legal counsel, that failure to make a Change in Recommendation with respect to such Superior Proposal would be inconsistent with the Board's fiduciary duties under Law.

For greater certainty: (a) notwithstanding any Change in Recommendation in accordance with section 5.4(1) of the Arrangement Agreement (as described above under this "*Right to Match*" heading), the Company shall cause the Meeting to occur and the Arrangement Resolution to be put to the Shareholders thereat for consideration in accordance with the Arrangement Agreement, and the Company shall not submit to a vote of the Shareholders any Acquisition Proposal other than the Arrangement Resolution prior to the termination of the Arrangement Agreement; and (b) any such Change in Recommendation shall not entitle the Company to terminate the Arrangement Agreement and/or enter into a Contract (other than an Acceptable Confidentiality Agreement) in respect of a Superior Proposal.

During the Matching Period, or such longer period as the Company may approve in its sole discretion in writing for such purpose: (a) the Purchaser shall have the opportunity (but not the obligation) to offer to amend the Arrangement Agreement and the Arrangement; (b) the Board shall review any offer made by the Purchaser under clause (f), above, to amend the terms of the Arrangement Agreement and the Arrangement in good faith in order to determine, after consultation with the Company's outside legal counsel and financial advisor(s), whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (c) the Company shall negotiate in good faith with the Purchaser to make such amendments to the terms of the Arrangement Agreement and the Arrangement as would enable the Purchaser to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If the Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the Company shall promptly so advise the Purchaser and the Company, the Purchaser shall amend the Arrangement Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of section 5.4 of the Arrangement Agreement and the Purchaser shall be afforded a new five (5) Business Day Matching Period in connection therewith.

At the written request of the Purchaser, the Board shall promptly publicly reaffirm the Board Recommendation by press release after (a) the Board has determined that any Acquisition Proposal is not a Superior Proposal if the Acquisition Proposal has been publicly announced or publicly disclosed or (b) the Board has determined that a proposed amendment to the terms of the Arrangement Agreement as contemplated under section 5.4(3) of the Arrangement Agreement (as described above under this "*Right to Match*" heading) would result in an Acquisition Proposal that

has been publicly announced or publicly disclosed and which previously constituted a Superior Proposal has ceased to be a Superior Proposal. The Company shall provide the Purchaser and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and shall give reasonable consideration to any comments made by the Purchaser and its outside legal counsel.

If the Company provides a Superior Proposal Notice to the Purchaser on a date that is less than seven (7) Business Days before the Meeting, the Company shall be entitled to, or shall upon request from the Purchaser, postpone the Meeting, to a date that is not more than ten (10) Business Days after the scheduled date of the Meeting but in any event the Meeting shall not be postponed to a date that would prevent the Effective Date from occurring prior to the Outside Date.

Nothing in the Arrangement Agreement shall prohibit the Board from making any disclosure to the Shareholders as required by Securities Laws, including responding through a directors' circular in respect of an Acquisition Proposal, if, in the good faith judgment of the Board, after consultation with external legal counsel, the failure to make such disclosure would be inconsistent with its fiduciary duties to the Company under applicable Law; provided that, except in the event the Board is making a Change in Recommendation permitted by section 5.4(1) of the Arrangement Agreement (as described above under this "*Right to Match*" heading), the Company shall provide the Purchaser and its counsel with a reasonable opportunity to review the form and content of such disclosure, and shall give reasonable consideration to any comments made by the Purchaser and its counsel; provided further that, notwithstanding that the Board shall be permitted to make such disclosure, the Board shall not be permitted to make a Change in Recommendation, other than as permitted by section 5.4(1) of the Arrangement Agreement. In addition, nothing contained in the Arrangement Agreement shall prevent the Company or the Board from calling and/or holding a meeting of Shareholders requisitioned by Shareholders in accordance with the OBCA or ordered to be held by a court in accordance with applicable Laws.

Termination of the Arrangement Agreement

The Arrangement Agreement may be terminated prior to the Effective Time by:

(a) the mutual written agreement of the Parties; or

(b) either the Company or the Purchaser if:

(i) the Arrangement Resolution is voted on by Shareholders and not approved by the Shareholders at the Meeting as required by the Interim Order, provided that a Party may not terminate the Arrangement Agreement pursuant to this clause (b)(i) if the failure to obtain approval of the Arrangement Resolution has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement;

(ii) after the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Company or the Purchaser from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided that the Party seeking to terminate the Arrangement Agreement pursuant to this clause (b)(ii) has complied with its obligations under the Arrangement Agreement to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement, and provided further that the enactment, making, enforcement or amendment of such Law was not primarily due to the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement; or

(iii) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate the Arrangement Agreement pursuant to this clause (b)(iii) if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement.

(c) the Company if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Purchaser under the Arrangement Agreement occurs that would cause any condition in section 6.3(1) (*Purchaser Representations and Warranties Condition*) or section 6.3(2) (*Purchaser Covenants Condition*) of the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of section 4.11(3) of the Arrangement Agreement (as described above under the heading "*Notice and Cure Provision*"); provided that any wilful breach shall be deemed to be incapable of being cured and provided further that the Company is not then in breach of the Arrangement Agreement so as to cause any condition in section 6.2(1) (*Company Representations and Warranties Condition*) or section 6.2(2) (*Company Covenants Condition*) of the Arrangement Agreement not to be satisfied; or

(ii) (A) all of the conditions set forth in section 6.1 (*Mutual Conditions Precedent*) and section 6.2 (*Additional Conditions Precedent to the Obligations of the Purchaser*) of the Arrangement Agreement are satisfied or waived by the applicable Party or Parties as of the date on which the Effective Time should have occurred pursuant to section 2.8 of the Arrangement Agreement (excluding conditions that, by their terms, are only capable of being satisfied as of the Effective Time, which such conditions are reasonably capable of being satisfied at the time of the termination if the Effective Time were to occur at such time); (B) the Company has irrevocably notified the Purchaser in writing at least three (3) Business Days prior to the date of termination, that (x) it is ready, willing and able to complete the Arrangement, and (y) all conditions set forth in section 6.3 (*Additional Conditions Precedent to the Obligations of the Company*) of the Arrangement Agreement have been and continue to be satisfied or waived (excluding conditions that, by their terms, are only capable of being satisfied as of the Effective Time, which such conditions are reasonably capable of being satisfied at the time of the termination if the Effective Time were to occur at such time); and (C) the Purchaser does not provide, or cause to be provided, to the Depositary sufficient funds to complete the transactions contemplated by the Arrangement Agreement as required by section 2.9 of the Arrangement Agreement by the expiration of the three (3) Business Day period contemplated by clause (ii)(B) hereof.

(d) the Purchaser if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company under the Arrangement Agreement occurs that would cause any condition in section 6.2(1) (*Company Representations and Warranties Condition*) or section 6.2(2) (*Company Covenants Condition*) of the Arrangement Agreement not to be satisfied, and such breach or failure is incapable of being cured or is not cured in accordance with the terms of section 4.11(3) of the Arrangement Agreement (as described above under the heading "*Notice and Cure Provision*"); provided that any wilful breach shall be deemed to be incapable of being cured and provided further that the Purchaser is not then in breach of the Arrangement Agreement so as to cause any condition in section 6.3(1) (*Purchaser Representations and Warranties Condition*) or section 6.3(2) (*Purchaser Covenants Condition*) of the Arrangement Agreement not to be satisfied;

(ii) prior to the approval by the Shareholders of the Arrangement Resolution: (A) the Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, in a manner adverse to the Purchaser, the Board Recommendation; (B) the Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend, an Acquisition Proposal or any agreement (other than an Acceptable Confidentiality Agreement permitted by and in accordance with section 5.3 of the Arrangement Agreement, as described above under the heading "*Responding to an Acquisition Proposal*") with respect thereto, or takes no position or remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five (5) Business Days (or beyond the third (3rd) Business Day prior to the date of the Meeting, if sooner); (C) the Board fails to publicly reaffirm (without qualification) the Board Recommendation within five (5) Business Days after having been reasonably requested in writing by the Purchaser to do so (or in the event that the Meeting is scheduled to occur within such five (5) Business Day period, prior to the third (3rd) Business Day prior to the date of the Meeting) it being understood that the Board will have no obligation to make such requested reaffirmation on more than two (2) separate occasions (any of (A), (B) or (C), a "**Change in Recommendation**"), or (D) the Company breaches article 5 of the Arrangement Agreement (as described above under the headings "*Non-Solicitation*", "*Notification of Acquisition Proposals*", "*Responding to an Acquisition Proposal*" and "*Right to Match*") in any material respect; or

(iii) there has occurred a Material Adverse Effect which is incapable of being cured on or prior to the Outside Date; provided that the Purchaser may not terminate the Arrangement Agreement pursuant to this clause (d)(iii) if such Material Adverse Effect relates to a CMHC Adverse Event that has been caused by, or is a result of, (x) a breach by the Purchaser of its representation and warranty in paragraph 10 (*Interests in CMHC Programs*) of Schedule D of the Arrangement Agreement or its covenant in section 4.3(1)(h) of the Arrangement Agreement (*Covenants of the Purchaser Relating to the Arrangement*), or (y) any of the Purchaser, the Sponsors or their respective affiliates directly or indirectly owning 10% or more of the voting interests in any Person that is an "approved seller" for purposes of the Canada Mortgage Bond program.

Subject to section 4.11(3) of the Arrangement Agreement (as described above under the heading "*Notice and Cure Provision*"), if applicable, the Party desiring to terminate the Arrangement Agreement pursuant to section 7.2 of the Arrangement Agreement, as described above under this heading "*Termination of the Arrangement Agreement*" (other than pursuant to clause (a), above) shall give notice of such termination to the other Party, specifying in reasonable detail the basis for such Party's exercise of its termination right.

Termination Fees and Expenses

Except as otherwise provided in the Arrangement Agreement, all fees, costs and expenses incurred in connection with the Arrangement Agreement and the Plan of Arrangement and the transactions contemplated under the Arrangement Agreement and the Plan of Arrangement shall be paid by the Party incurring such cost or expense.

Despite any other provision in the Arrangement Agreement relating to the payment of fees and expenses, if a Termination Fee Event occurs, the Company shall pay the Purchaser (or as the Purchaser may direct by notice in writing) the Termination Fee in accordance with section 8.2(3) of the Arrangement Agreement. For the purposes of the Arrangement Agreement, "**Termination Fee**" means $50,000,000, and "**Termination Fee Event**" means the termination of the Arrangement Agreement:

(a) by the Purchaser, pursuant to section 7.2(1)(d)(ii) (*Change in Recommendation*; *Breach of Non-Solicit*) of the Arrangement Agreement;

(b) by the Company or the Purchaser pursuant to section 7.2(1)(b)(i) (*Failure of Shareholders to Approve*) of the Arrangement Agreement if, at the time of such termination, the Purchaser could have terminated the Arrangement Agreement pursuant to section 7.2(1)(d)(ii) (*Change in Recommendation; Breach of Non-Solicit*) of the Arrangement Agreement;

(c) (1) by the Company or the Purchaser pursuant to section 7.2(1)(b)(i) (*Failure of Shareholders to Approve*) or section 7.2(1)(b)(iii) (*Outside Date*) of the Arrangement Agreement, or (2) by the Purchaser pursuant to section 7.2(1)(d)(i) (*Company Breach of Reps/Covenants*) of the Arrangement Agreement as a result of a wilful breach or knowing and intentional fraud by the Company, in any such case, if:

(i) following the date of the Arrangement Agreement and prior to the Meeting, an Acquisition Proposal is proposed, offered or made or publicly announced or otherwise publicly disclosed by any Person (other than the Purchaser or any of its affiliates or any Person acting jointly or in concert with the Purchaser) and has not expired or been publicly withdrawn at least five (5) Business Days prior to the Meeting; and

(ii) within twelve (12) months following the date of such termination (A) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) is consummated or effected, or (B) the Company or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a contract in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) and such Acquisition Proposal (or any successive Acquisition Proposal (whether or not by the same Person) made prior to or concurrent with the termination of any prior Acquisition Proposal) is later consummated or effected (whether or not within twelve (12) months after such termination).

For purposes of the foregoing, the term "Acquisition Proposal" shall have the meaning assigned to such term under "*Glossary of Terms*", except that references to "20% or more" shall be deemed to be references to "50% or more".

If a Termination Fee Event occurs in the circumstances set out in section 8.2(2)(a) (*Change in Recommendation; Breach of Non-Solicit*) or section 8.2(2)(b) (*Failure of Shareholders to Approve and Change in Recommendation; Breach of Non-Solicit*) of the Arrangement Agreement, the Termination Fee shall be paid within two (2) Business Days following such Termination Fee Event. If a Termination Fee Event occurs in the circumstances set out in section 8.2(2)(c) (*Acquisition Proposal Tail*) of the Arrangement Agreement, the Termination Fee shall be paid within two (2) Business Days following the consummation of the Acquisition Proposal referred to therein. Any Termination Fee shall be paid by the Company to the Purchaser (or as the Purchaser may direct by notice in writing), by wire transfer in immediately available funds to an account designated by the Purchaser. For greater certainty, in no event shall the Company be obligated to pay the Termination Fee on more than one occasion.

Despite any other provision in the Arrangement Agreement relating to the payment of fees and expenses, if a Reverse Termination Fee Event occurs, the Purchaser shall pay or cause to be paid to the Company, by wire transfer in immediately available funds to an account designated by the Company, an amount equal to $75,000,000 (the "**Reverse Termination Fee**") within two (2) Business Days following such Reverse Termination Fee Event. For greater certainty, in no event shall the Purchaser be obligated to pay the Reverse Termination Fee on more than one occasion. For the purposes of the Arrangement Agreement, "**Reverse Termination Fee Event**" means the termination of the Arrangement Agreement:

(a) by the Company pursuant to:

  (i) section 7.2(1)(c)(i) (*Purchaser Breach of Reps/Covenants*) of the Arrangement Agreement as a result of a wilful breach or knowing and intentional fraud; or
  (ii) section 7.2(1)(c)(ii) (*Failure to Close*) of the Arrangement Agreement; or

(b) by the Company or the Purchaser pursuant to section 7.2(1)(b)(iii) (*Outside Date*) if at the time of such termination the Company could have terminated the Arrangement Agreement pursuant to (i) section 7.2(1)(c)(i) (*Purchaser Breach of Reps/Covenants*) of the Arrangement Agreement as a result of wilful breach or knowing and intentional fraud or (ii) section 7.2(1)(c)(ii) (*Failure to Close*) of the Arrangement Agreement.

Any Reverse Termination Fee shall be paid by the Purchaser to the Company (or as the Company may direct by notice in writing), by wire transfer in immediately available funds to an account designated by the Company. For greater certainty, in no event shall the Purchaser be obligated to pay the Reverse Termination Fee on more than one occasion.

Limitation of Liability

Notwithstanding anything to the contrary set forth in the Arrangement Agreement, except for an order of specific performance, as and only to the extent permitted by section 8.4 of the Arrangement Agreement (as described below under the heading "*Injunctive Relief*"), in the event of the termination of the Arrangement Agreement by the Purchaser or the Company, as applicable:

(a) in circumstances that constitute a Termination Fee Event, the receipt of the Termination Fee by the Purchaser (or as the Purchaser may direct by notice in writing) shall be the sole and exclusive remedy (including damages, specific performance and injunctive relief) of the Purchaser Related Parties against the Company, its affiliates and any of their respective former, current or future direct or indirect Representatives, affiliates, controlling persons, incorporator, equity holders, partners, shareholders (or equivalent), managers, members or general or limited partners (collectively, the "**Company Related Parties**") in respect of any events giving rise to such payment and the termination of the Arrangement Agreement and the Company Related Parties shall have no further liability of any kind to the Purchaser Related Parties, and no Purchaser Related Party shall bring or maintain any action or claim against any of the Company Related Parties, in connection with any breach of any representation, warranty, covenant or agreement contained in the Arrangement Agreement by the Company or otherwise with respect to the Arrangement Agreement or its termination or any other Contract entered into in connection therewith (including with respect to any damages, losses, liabilities, claims, judgments, inquiries, fines, fees, costs and expenses, including attorneys' fees and disbursements, suffered or incurred as a result of the failure of the Arrangement to be consummated or as a result of a breach or failure to perform under the Arrangement Agreement or thereunder); provided that this limitation shall not apply in the event of knowing and intentional fraud or a wilful breach by the Company of its representations, warranties, covenants or agreements set forth in the Arrangement Agreement; and

(b) in circumstances that constitute a Reverse Termination Fee Event, the receipt of the Reverse Termination Fee by the Company (including as a consequence of payment thereof pursuant to the Guarantees) shall be the sole and exclusive remedy (including damages, specific performance and injunctive relief) of the Company Related Parties against the Purchaser, the Sponsors, the Financing Sources and any of their respective affiliates and any of their respective former, current or future direct or indirect Representatives, affiliates, controlling persons, incorporators, equity holders, partners, shareholders (or equivalent), managers, members or general or limited partners (collectively, the "**Purchaser Related Parties**") in respect of any events giving rise to such payment and the termination of the Arrangement Agreement and the Purchaser Related Parties shall have no further liability of any kind to the Company Related Parties, and no Company Related Party shall bring or maintain any action or claim against any of the Purchaser Related Parties, in connection with any breach of any representation, warranty, covenant or agreement contained in the Arrangement Agreement by the Purchaser or otherwise with respect to the Arrangement Agreement or its termination or any other Contract (including the Commitment Letters, the Guarantees and the Rollover Agreements) entered into in connection herewith (including with respect to any damages, losses, liabilities, claims, judgments, inquiries, fines, fees, costs and expenses, including attorneys' fees and disbursements, suffered or incurred as a result of the failure of the Arrangement to be consummated or as a result of a breach or failure to perform under the Arrangement Agreement or thereunder); provided that this limitation shall not apply in the event of knowing and intentional fraud or a wilful breach by the Purchaser of its representations, warranties, covenants or agreements set forth in the Arrangement Agreement.

Each Party acknowledges that the agreements contained in section 8.2 of the Arrangement Agreement (as described above under this "*Limitation of Liability*" heading) are an integral part of the transactions contemplated by the Arrangement Agreement, and that without these agreements the Parties would not enter into the Arrangement Agreement, and that the amounts set out in section 8.2 of the Arrangement Agreement (as described above under the heading "*Termination Fees and Expenses*") represent compensation for the disposition of the affected Party's rights under the Arrangement Agreement and liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, reputational damages and expenses, which the affected Party or Parties will suffer or incur as a result of the event giving rise to such damages and resultant termination of the Arrangement Agreement, and are not penalties. Each Party irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive.

The Parties acknowledge that the agreements contained in section 8.2 of the Arrangement Agreement are an integral part of the transactions contemplated by the Arrangement Agreement, and that without these agreements the Parties would not enter into the Arrangement Agreement; accordingly, if the Company fails to pay the Termination Fee when due, or if the Purchaser fails to pay the Reverse Termination Fee when due, and, in order to obtain such payment, the Purchaser, on the one hand, or the Company, on the other hand, commences a suit that results in a judgment against the Company for the Termination Fee or a judgment against the Purchaser for the Reverse Termination Fee, the Company shall pay to the Purchaser, on the one hand, or the Purchaser shall

pay to the Company, on the other hand, its costs and expenses (including reasonable and documented legal fees) in connection with such suit, together with interest on the amount of such or portion thereof at the prime rate of the Royal Bank of Canada in effect on such date such payment was required to be made through the date of payment.

Injunctive Relief

Under the Arrangement Agreement, the Parties have agreed that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of the Arrangement Agreement were not performed in accordance with their specific terms or were otherwise breached. It was accordingly agreed that, subject to section 8.2 (providing for the payment of the Termination Fee or Reverse Termination Fee in certain circumstances, including any related limitation of liability) and 8.4 of the Arrangement Agreement (as described above under this "*Injunctive Relief*" heading), the Parties shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of the Arrangement Agreement, and to enforce compliance with the terms of the Arrangement Agreement (including, for the avoidance of doubt, the covenants of the Purchaser in respect of its Debt Financing in section 4.6 of the Arrangement Agreement), without any requirement for the securing or posting of any bond or security in connection with the obtaining of any such injunctive or other equitable relief, and no party shall object to the granting of injunctive or other equitable relief on the basis that there exists an adequate remedy at law.

Notwithstanding anything in the Arrangement Agreement to the contrary, the Parties have agreed that under no circumstances shall:

(a) the Company be permitted or entitled to receive both a grant of specific performance to cause the Equity Financing to be funded at the Closing in accordance with the terms of section 8.4 of the Arrangement Agreement (whether under the Arrangement Agreement or the Equity Commitment Letters) and to consummate the Arrangement, on the one hand, and payment of the Reverse Termination Fee (if entitled under section 8.2 of the Arrangement Agreement), on the other hand; or

(b) the Purchaser be permitted or entitled to receive both a grant of specific performance to require the Company to consummate the Arrangement, on the one hand, and payment of the Termination Fee (if entitled under section 8.2 of the Arrangement Agreement), on the other hand.

Notwithstanding anything in the Arrangement Agreement to the contrary, the Parties have acknowledged and agreed that, prior to the valid termination of the Arrangement Agreement, the Company shall be entitled to specific performance or injunctive relief to specifically enforce the Purchaser's obligation to effect the Closing on the terms and conditions set forth in the Arrangement Agreement and cause the Equity Financing to be funded if, and only if:

(a) all of the conditions in section 6.1 (*Mutual Conditions Precedent*) and section 6.2 (*Additional Conditions Precedent to the Obligations of the Purchaser*) of the Arrangement Agreement have been satisfied or waived by the applicable Party or Parties (excluding conditions that, by their terms, cannot be satisfied until the Effective Time, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party in whose favour the condition is, of those conditions as of the Effective Time);

(b) the Debt Financing provided for by the Debt Commitment Letter has been funded or will be funded in accordance with the terms and conditions thereof if the Equity Financing is funded at or prior to the Effective Time in accordance with its terms;

(c) the Purchaser fails to consummate the Arrangement on the date on which the Effective Time should have occurred pursuant to section 2.8 of the Arrangement Agreement; and

(d) the Company has irrevocably confirmed to the Purchaser in writing that it stands ready, willing and able to consummate the Arrangement, and that it will consummate the Arrangement if specific performance is granted and the Equity Financing and Debt Financing are funded.

In no event shall the Company or its affiliates be entitled to directly or indirectly seek the remedy of specific performance of the Arrangement Agreement or the Debt Commitment Letter against any Debt Financing Source in its capacity as a lender, investor, arranger or purchaser in connection with the Debt Financing.

Amendments

The Arrangement Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Company and the Purchaser, without further notice to or authorization on the part of the Shareholders, and any such amendment may, subject to the Interim Order and Final Order and Laws, without further limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) waive any inaccuracies or modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement;

(c) waive compliance with or modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties; and/or

(d) waive compliance with or modify conditions contained in the Arrangement Agreement.

Governing Law

The Arrangement Agreement is governed by and interpreted and enforced in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.

Each Party has agreed to irrevocably attorn and submit to the exclusive jurisdiction of the Ontario courts situated in the City of Toronto in respect of any claim, action, suit or proceeding (whether based in contract, tort or otherwise), directly or indirectly arising out of or relating to the Arrangement Agreement or the actions of the Parties thereto in the negotiation, execution, performance or non-performance of the Arrangement Agreement, and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

INFORMATION CONCERNING FIRST NATIONAL

First National is the successor to First National Financial Income Fund, following completion of the conversion of First National Financial Income Fund from an income trust to a corporate structure by way of a court-approved plan of arrangement under the OBCA on January 1, 2011 (the "**Fund Arrangement**"). Immediately subsequent to the completion of the Fund Arrangement, the resulting corporation amalgamated to form First National. First National is a publicly traded Canadian company, with its Common Shares listed on the TSX under the trading symbol "FN", its Series 1 Preferred Shares listed on the TSX under the trading symbol "FN.PR.A" and its Series 2 Preferred Shares listed on the TSX under the symbol "FN.PR.B".

First National is a Canadian-based originator, underwriter and servicer of predominantly prime single-family residential, multi-unit residential and commercial mortgages. First National sources its single-family residential mortgages almost exclusively through independent mortgage brokers and its existing customer base and sources its multi-unit residential and commercial mortgages largely through its experienced in-house mortgage underwriters, who are employees of First National. First National funds the mortgages it originates primarily through institutional placements and a diversified range of securitization alternatives. Since its initial public offering, First National has experienced stable and consistent growth in revenue and earnings supportive of a growing dividend rate on its Common Shares. An important source of First National's stable and growing revenue and performance is its mortgage servicing business. First National services virtually all mortgages generated through its mortgage origination activities and management believes that First National is the largest third-party servicer of multi-unit residential and commercial mortgages in Canada.

First National's head and registered office is located at 16 York Street, Suite 1900, Toronto, Ontario, M5J 0E6. First National's corporate website address is www.firstnational.ca.

Description of Share Capital

The authorized share capital of First National consists of an unlimited number of Common Shares, of which 59,967,429 Common Shares are issued and outstanding as at August 21, 2025, and an unlimited number of Preferred Shares, issuable in series, of which 2,984,835 Series 1 Preferred Shares and 1,015,165 Series 2 Preferred Shares are issued and outstanding as at August 21, 2025. The summary below of the rights, privileges, restrictions and conditions attaching to the Common Shares and to the Preferred Shares, respectively, is subject to, and qualified in its entirety by

reference to, the Company's articles and by-laws which are available on SEDAR+ at www.sedarplus.ca.

Common Shares

Each Common Share entitles the holder thereof to one (1) vote at all meetings of Shareholders, except where holders of another class are entitled to vote separately as a class as provided by law or the rules of any applicable stock exchange. Subject to the rights of the holders of the Preferred Shares and of any other class of shares ranking senior to the Common Shares, the holders of Common Shares are entitled to such dividends as the Board may declare from time to time, which dividends are payable in money or property or by issuing fully paid shares of the Company.

Subject to the prior rights of the holders of the Preferred Shares and of any other class of shares ranking senior to the Common Shares, in the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company among its Shareholders for the purpose of winding-up its affairs, the holders of Common Shares are entitled to receive the remaining property and assets of the Company.

Class A Preference Shares, Series 1

The Series 1 Preferred Shares are entitled to receive fixed cumulative preferential cash dividends, as and when declared by the Board, payable quarterly on the last day of March, June, September and December, initially at an annual rate of $1.1625 per share for each year up to and including March 31, 2016.

For each five-year period after March 31, 2016, the holders of Series 1 Preferred Shares are entitled to receive reset fixed cumulative preferential cash dividends as and when declared by the Board, payable quarterly on the last day of March, June, September and December. The reset annual dividends per share will be determined by multiplying $25.00 per share by the annual fixed dividend rate, which is the sum of the five-year Government of Canada Yield on the applicable reset date plus 2.07%.

On March 31, 2016, and March 31 every five years thereafter (each, a "**Series 1 Conversion Date**"), the Company has the option to redeem for cash all or any part of the outstanding Series 1 Preferred Shares, at a price of $25.00 per share plus all accrued and unpaid dividends up to but excluding the date fixed for redemption. On each Series 1 Conversion Date, the holders of Series 1 Preferred Shares, have the option to convert any or all of their Series 1 Preferred Shares into an equal number of cumulative redeemable floating rate Series 2 Preferred Shares.

Holders of Series 1 Preferred Shares are not be entitled to convert their Series 1 Preferred Shares into Series 2 Preferred Shares if the Company determines that there would remain outstanding on a Series 1 Conversion Date less than 1,000,000 Series 2 Preferred Shares, after having taken into account all Series 1 Preferred Shares tendered for conversion into Series 2 Preferred Shares and all Series 2 Preferred Shares tendered for conversion into Series 1 Preferred Shares.

Class A Preference Shares, Series 2

The holders of Series 2 Preferred Shares are entitled to receive floating rate cumulative preferential cash dividends, as and when declared by the Board, payable quarterly, in the amount per share determined by multiplying the applicable floating quarterly dividend rate by $25.00. The floating quarterly dividend rate is equal to the sum of the average yield expressed as a percentage per annum on three-month Government of Canada Treasury Bills plus 2.07%.

On March 31, 2021, and March 31 every five years thereafter (each, a "**Series 2 Conversion Date**"), the Company has the option to redeem for cash all or any part of the outstanding Series 2 Preferred Shares at a price of $25.00 per share plus all accrued and unpaid dividends up to but excluding the date fixed for redemption. On any date after March 31, 2016, that is not a Series 2 Conversion Date, the Company has the option to redeem for cash all or any part of the outstanding Series 2 Preferred Shares at a price of $25.50 per share plus all accrued and unpaid dividends up to but excluding the date fixed for redemption. On each Series 2 Conversion Date, the holders of Series 2 Preferred Shares, have the option to convert any or all of their Series 2 Preferred Shares into an equal number of Series 1 Preferred Shares.

Holders of Series 2 Preferred Shares will not be entitled to convert their shares into Series 1 Preferred Shares if the Company determines that there would remain outstanding on a Series 2 Conversion Date less than 1,000,000 Series 1 Preferred Shares, after having taken into account all Series 2 Preferred Shares tendered for conversion into Series 1 Preferred Shares and all Series 1 Preferred Shares tendered for conversion into Series 2 Preferred Shares.

Ratings

The Series 1 Preferred Shares are rated "Pfd-3 (Stable)" by Morningstar DBRS. Morningstar DBRS has six categories of preferred shares for which it will assign a rating. The "Pfd-3" rating is the third highest category available from Morningstar DBRS for preferred shares and is considered to be of adequate credit quality. According to Morningstar DBRS, preferred shares rated "Pfd-3" are of adequate credit quality and while protection of dividends and principal is still considered acceptable, the issuing entity is more susceptible to adverse changes in financial and economic conditions, and there may be other adverse conditions present which detract from debt protection. A rating trend that is "Stable" acts as a signal indicating that the rating is secure and that the trend is stable according to active surveillance and performance updates.

Each of the Series 3 Notes, Series 4 Notes and Series 5 Notes are rated "BBB (low) with a Stable trend" by Morningstar DBRS. Morningstar DBRS has eight categories of long-term debt obligations for which it will assign a rating. The "BBB (low)" rating is the fourth highest category available from Morningstar DBRS for long-term debt and is considered to be of adequate credit quality. According to Morningstar DBRS, protection of interest and principal is considered acceptable, but the entity is fairly susceptible to adverse changes in financial and economic conditions or there may be other adverse conditions present which reduce the strength of the entity and its rated securities. A rating trend that is "Stable" acts as a signal indicating that the rating is secure and that the trend is stable according to active surveillance and performance updates.

Credit ratings are intended to provide purchasers with an independent assessment of the credit quality of an issue or issuer of securities and do not speak to the suitability of particular securities

for any particular purchaser. The Morningstar DBRS rating represents an evaluation that is based solely on credit related factors and not market risk factors. The credit ratings may not reflect the potential impact of all risks on the value of the rated securities and such ratings are not a recommendation to buy, sell or hold the rated securities. Credit ratings may be subject to revision or withdrawal at any time. Prospective purchasers should consult the relevant rating organization with respect to the interpretation and implications of the rating.

Dividend Policy

The Company's current policy is to declare monthly cash dividends to Shareholders of record on the last business day of each month with the dividends being paid on or about the 15th day following each month end. The declaration of dividends is subject to the discretion of the Board and the terms of the Arrangement Agreement and may vary depending on, among other things, First National Financial LP's earnings, financial requirements, debt covenants, the satisfaction of solvency tests imposed by the OBCA for the declaration of dividends and other conditions existing at such time.

In 2025, the Company has declared monthly dividends of $0.208334 per Common Share. In 2024, the Company declared monthly dividends of $0.204167 per Common Share for the first 10 months and $0.208334 per Common Share for the last 2 months and a special, one-time dividend of $0.50 per Common Share. In 2023, the Company declared monthly dividends of $0.20 per Common Share for the first 10 months and $0.204167 per Common Share for the last 2 months and a special, one-time dividend of $0.75 per Common Share.

In 2025, for the Series 1 Preferred Shares, the Company declared quarterly dividends at a rate of $0.180938 per share. For the Series 2 Preferred Shares, the dividend per share rates were $0.342185 for the first quarter and $0.305910 for the second quarter. In 2024, for the Series 1 Preferred Shares, the Company declared quarterly dividends at a rate of $0.180938 per share. For the Series 2 Preferred Shares, the dividend per share rates were $0.442071 for the first quarter, $0.438279 for the second quarter, $0.436246 for the third quarter and $0.394330 for the fourth quarter. In 2023, for the Series 1 Preference Shares, the Company declared quarterly dividends at a rate of $0.180938 per share. For the Series 2 Preference Shares, the dividend per share rates were $0.382377 for the first quarter, $0.413489 for the second quarter, $0.417970 for the third quarter and $0.455398 for the fourth quarter.

First National Financial LP has adopted a policy of making monthly cash distributions or advances to the Company to fund the Company dividends, unsecured note interest and tax payment obligations among other items. First National Financial LP's distributable cash represents, in general, all of First National Financial LP's cash, after: (i) satisfaction of its debt service obligations (principal and interest) under credit facilities or other agreements with third parties; (ii) satisfaction of its other liabilities and expense obligations, including capital expenditures and expenses relating to incentive or compensation plans to management and other personnel; (iii) deduction of amounts that the General Partner may reasonably consider to be necessary to provide for the payment of any costs or expenses that have been or are reasonably expected to be incurred in the activities and operations of First National Financial LP (to the extent that such costs or expenses have not otherwise been taken into account); and (iv) deduction of amounts that the General Partner may reasonably consider to be necessary to provide for reasonable reserves, including working capital

reserves for contingencies, maintenance capital expenditure reserves, other capital expenditure reserves and other reserves, including reserves established by the General Partner for the purpose of stabilizing dividends to the Shareholders.

First National intends to continue paying its regular monthly cash dividend of $0.208334 per Common Share in the ordinary course through to closing of the Arrangement and regular quarterly dividends on its Preferred Shares in accordance with their terms.

Commitments to Acquire Securities of First National

Except as otherwise described in this Circular, none of the Company and its directors and executive officers or, to the knowledge of the directors and executive officers of the Company, any of their respective associates or affiliates, any other insiders of the Company or their respective associates or affiliates or any person acting jointly or in concert with the Company has made any agreement, commitment or understanding to acquire securities of the Company.

Previous Purchases and Sales

No Common Shares or other securities of the Company have been purchased or sold by the Company during the twelve (12) month period preceding the date of this Circular.

Previous Distributions

No Common Shares were distributed during the five (5) years preceding the date of this Circular.

Trading Price and Volume

The Common Shares are listed on the TSX under the trading symbol "FN". The following table sets forth the reporting high and low prices and the monthly trading volume for the Common Shares for the periods indicated:

Month	High ($)	Low ($)	Volume
January 2025	41.84	38.64	631,665
February 2025	41.36	35.75	593,739
March 2025	41.10	38.40	753,910
April 2025	40.80	35.50	931,754
May 2025	39.35	36.90	749,763
June 2025	41.75	37.85	578,673
July 2025	49.00	41.22	2,131,146
August 1 to August 26, 2025	48.43	48.00	1,257,055

The closing price per Common Share on July 25, 2025, the last full trading day on the TSX before the announcement of the entering into the Arrangement Agreement, was $42.48.

Interest of Informed Persons in Material Transactions

Except as otherwise described elsewhere in this Circular, to the knowledge of the directors and executive officers of the Company, no director or officer of the Company, or person who beneficially owns, or controls or directs, directly or indirectly, more than ten percent (10%) of the Common Shares, or director or officer of such person, or associate or affiliate of the foregoing has any interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction which has materially affect the Company or any of its Subsidiaries.

Material Changes in the Affairs of the Company

Except as described in this Circular, the directors and executive officers of the Company are not aware of (i) any plans or proposals for material changes in the affairs of the Company; (ii) any plans, proposals, or negotiations that would result in changes to the Company's articles, bylaws or other governing instruments; and (iii) any material corporate events during the last two (2) years concerning any mergers, consolidations, acquisitions, or sales of a material amount of assets of the Company.

Indebtedness of Directors, Officers and Employees

As at August 27, 2025, no director, executive officer or employee, and no former trustee, director, executive officer or employee of the Company or any of its Subsidiaries was indebted to the Company or to any of its Subsidiaries and no indebtedness of such persons has been the subject of a guarantee, support agreement, letter of credit or other similar agreement provided by the Company or any of its Subsidiaries or affiliates.

Auditor, Transfer Agent and Registrar

The current auditors of the Company are Ernst & Young LLP, located at Ernst & Young Tower, 100 Adelaide Street West, PO Box 1, Toronto, Ontario, M5H 0B3.

The transfer agent and registrar for the Common Shares and the Preferred Shares is Computershare Investor Services Inc., at its principal office located at 320 Bay Street, 14th Floor, Toronto, Ontario, M5H 4A6.

INFORMATION CONCERNING THE PURCHASER AND THE SPONSORS

The Purchaser

The Purchaser is a corporation incorporated under the OBCA with a registered office located at 155 Wellington Street West, Toronto, Ontario, M5V 3J7. The Purchaser is a newly-formed acquisition vehicle indirectly controlled by private equity funds managed by Birch Hill and private equity funds managed by Brookfield. The sole direct shareholder of the Purchaser is Regal Topco.

Regal Topco

Regal Topco is a corporation incorporated under the OBCA with a registered office located at 155 Wellington Street West, Toronto, Ontario, M5V 3J7. Regal Topco is a newly-formed acquisition vehicle directly controlled by private equity funds managed by Birch Hill and private equity funds managed by Brookfield. The Purchaser is a direct wholly-owned subsidiary of Regal Topco.

The Sponsors

Birch Hill

Birch Hill is a Canadian mid-market private equity firm with a long history of driving growth in its portfolio companies and delivering returns to its investors. Based in Toronto, Birch Hill currently has over $6 billion in capital under management. Since 1994, the firm has made 73 investments, with 59 fully realized. Today, Birch Hill's 14 partner companies collectively represent one of Canada's largest corporate entities with over $8 billion in total revenue and more than 40,000 employees.

Brookfield

Brookfield Asset Management is a leading global alternative asset manager with over US$1 trillion of assets under management. Brookfield invests client capital for the long term with a focus on real assets and essential service businesses that form the backbone of the global economy. Brookfield offers a range of alternative investment products to investors around the world — including public and private pension plans, endowments and foundations, sovereign wealth funds, financial institutions, insurance companies and private wealth investors.

Brookfield's private equity business, which manages over US$145 billion of assets under management, focuses on driving operational transformation in businesses providing essential products and services.

RISK FACTORS

The following risk factors should be carefully considered by Shareholders in evaluating the approval of the Arrangement Resolution. The following risk factors are not a definitive list of all risk factors associated with the Company or the Arrangement.

Risks Related to First National

If the Arrangement is not completed, First National will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the AIF and the Annual MD&A, each of which has been filed on SEDAR+ at www.sedarplus.ca.

Risks Relating to the Arrangement

Conditions Precedent and Required Approvals

There can be no certainty that all conditions precedent to the Arrangement will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. Failure to complete the Arrangement could materially negatively impact the trading price of the Common Shares.

The completion of the Arrangement is subject to certain conditions precedent, some of which are outside the control of the Company and the Purchaser, including the Arrangement Resolution being approved and adopted by the Shareholders at the Meeting, the granting of the Final Order and the Competition Act Approval having been obtained. In addition, the completion of the Arrangement by the Purchaser is conditional on, among other things, Dissent Rights not having been validly exercised (and such exercise not having been withdrawn) by the holders of more than 5% of the issued and outstanding Common Shares, no Material Adverse Effect having occurred since the date of the Arrangement Agreement which is continuing as of the Closing and other than in connection with the Competition Act Approval, no legal actions having been commenced by any Governmental Entity against the Company, any of its Subsidiaries or the Purchaser, that remain pending with any reasonable likelihood of success that seek to enjoin or prohibit the consummation of the Arrangement or the Purchaser's ability to acquire or hold, or exercise the full ownership of, the Common Shares. There can be no certainty, nor can the Company or the Purchaser provide any assurance, that these conditions will be satisfied or waived or, if satisfied or waived, when they will be satisfied or waived. See "*The Arrangement Agreement – Conditions to Closing*".

If any of the conditions precedent to the Arrangement in favour of the Purchaser are not met on or before the Outside Date and the Purchaser, in its sole discretion, does not waive these conditions, the Purchaser will not be obligated to complete the Arrangement and the Arrangement Agreement may be terminated.

If the Arrangement is not completed for any reason, there are risks that the announcement of the Arrangement and the dedication of substantial resources of the Company to the completion thereof could have a negative impact on the Company's current business relationships, including with future and prospective employees, customers, distributors, suppliers and partners, and could have a material adverse effect on the current and future operations, financial condition and prospects of the Company. In addition, if the Arrangement is not completed, the market price of the Common Shares may decline to the extent that the market price reflects a market assumption that the Arrangement will be completed. If the Arrangement is not completed and the Board decides to seek another similar transaction, there can be no assurance that it will be able to find a party willing to pay an equivalent or more attractive price than the Consideration to be paid pursuant to the Arrangement.

Termination in Certain Circumstances and its Potential Adverse Effect

Each of the Company and the Purchaser has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions of closing, to terminate the Arrangement Agreement. Accordingly, there can be no certainty, nor can the Company provide

any assurance, that the Arrangement Agreement will not be terminated by either of the Company or the Purchaser prior to the completion of the Arrangement. First National's business, financial condition or results of operations could also be subject to various material adverse consequences, including that the Company would remain liable for significant costs relating to the Arrangement including, among others, legal, accounting and printing expenses. See "*The Arrangement Agreement – Termination of the Arrangement Agreement*".

If the Arrangement is not completed for any reason, the announcement of the Arrangement, the dedication of the Company's resources to the completion thereof and the restrictions that were imposed on the Company under the Arrangement Agreement may have an adverse effect on the current future operations, financial condition and prospects of the Company.

Under the Arrangement Agreement, the Company is required, in certain circumstances, to pay the Termination Fee to the Purchaser. In addition, even if the Arrangement Agreement is terminated without immediate payment of the Termination Fee, the Company may, in the future, be required to pay the Termination Fee in certain circumstances. Those circumstances would arise if (1) the Company or the Purchaser terminates the Arrangement Agreement pursuant to section 7.2(1)(b)(i) (*Failure of Shareholders to Approve*) or section 7.2(1)(b)(iii) (*Outside Date*) of the Arrangement Agreement, or (2) the Purchaser terminates the Arrangement Agreement pursuant to section 7.2(1)(d)(i) (*Company Breach of Reps/Covenants*) of the Arrangement Agreement as a result of a wilful breach or knowing and intentional fraud by the Company, in any such case, if: (i) prior to the Meeting, an Acquisition Proposal is proposed, offered or made or publicly announced or otherwise publicly disclosed by any Person (other than the Purchaser or any of its affiliates or any Person acting jointly or in concert with the Purchaser) and has not expired or been publicly withdrawn at least five (5) Business Days prior to the Meeting; and (ii) within twelve (12) months following the date of such termination (A) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i)) is consummated or effected, or (B) the Company or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a contract in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i)) and any Acquisition Proposal (including any successive Acquisition Proposal (whether or not made by the same Person) made prior to or concurrent with the termination of any prior Acquisition Proposal) is later consummated or effected (whether or not within twelve (12) months after such termination). For purposes of the foregoing, the term "Acquisition Proposal" shall have the meaning assigned to such term under "*Glossary of Terms*", except that references to "20% or more" shall be deemed to be references to "50% or more". See "*The Arrangement Agreement – Termination of the Arrangement Agreement – Termination Fees and Expenses*".

The Conditions set forth in the Commitment Letters may not be Satisfied or Events may Occur Preventing the Financing from Being Consummated

Although the Arrangement Agreement does not contain a financing condition, there is a risk that the conditions set forth in the Debt Commitment Letter and the Equity Commitment Letters may not be satisfied or that other events may arise which could prevent the Purchaser from consummating the Financing. If the Purchaser is unable to consummate the Debt Financing and/or the Equity Financing, the Company expects that the Purchaser will be unable to fund the Consideration required to complete the Arrangement. In the event the Arrangement cannot be

completed due to the failure of the Purchaser to fund the Consideration, provided that all other conditions to closing of the Arrangement in favour of the Purchaser are and continue to be satisfied or waived and that the Company is otherwise prepared to close the Arrangement, the Company may terminate the Arrangement Agreement and the Purchaser will be obligated to pay the Reverse Termination Fee and the Shareholders will not receive the Consideration and the Company Noteholders will not receive the Company Note Consideration.

Occurrence of a Material Adverse Effect

The completion of the Arrangement is subject to the condition that, among other things, on or after July 27, 2025 (the date on which the Arrangement Agreement was entered into), there shall not have occurred a Material Adverse Effect which is continuing as of the Closing. Although a Material Adverse Effect excludes certain events, including events in some cases that are beyond the control of the Company, there can be no assurance that a Material Adverse Effect will not occur prior to the Effective Time. If such a Material Adverse Effect occurs and the Purchaser does not waive the same, the Arrangement would not proceed. See "*The Arrangement Agreement – Conditions to Closing – Additional Conditions Precedent to the Obligations of the Purchaser*".

Uncertainty Surrounding the Arrangement

As the Arrangement is dependent upon the satisfaction of a number of conditions precedent, its completion is uncertain. In response to this uncertainty, parties with whom the Company has or is seeking business relationships may delay or defer decisions concerning the Company. Any delay or deferral of those decisions could adversely affect the business and operations of the Company, regardless of whether the Arrangement is ultimately completed. Similarly, uncertainty may adversely affect the Company's ability to attract or retain key personnel. In the event the Arrangement Agreement is terminated, the Company's relationships with customers, suppliers, landlords, employees and other stakeholders may be adversely affected. Changes in such relationships could adversely affect the business and operations of the Company.

Interim Covenants

Under the Arrangement Agreement, the Company must generally conduct its business in the ordinary course of business, and before the completion of the Arrangement or termination of the Arrangement Agreement, the Company is restricted from taking certain specified actions without the consent of the Purchaser. These restrictions may prevent the Company from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement if consent of the Purchaser is required but is not provided. See "*The Arrangement Agreement – Covenants – Conduct of the Business of First National*".

Interests of Certain Persons in the Arrangement

Certain directors and executive officers of the Company have interests in the Arrangement that are different from, or in addition to, the interests of Shareholders generally, including, but not limited to, those interests discussed under the heading "*The Arrangement – Interests of Certain Persons in the Arrangement*". In considering the recommendation of the Unconflicted Company Board to vote in favour of the Arrangement Resolution, Shareholders should consider these interests.

No Interest in the Company Following the Arrangement; Tax Consequences

Following the Arrangement, Shareholders will no longer hold any of the Common Shares and Shareholders (other than the Rollover Shareholders) will forego any future increase in value that might result from future growth and the potential achievement of the Company's long-term plans.

In addition, the Arrangement will be a taxable transaction for Canadian federal income tax purposes and, as a result, Taxes will generally be required to be paid by Canadian-resident Shareholders on any income and gains that result from receipt of the Consideration under the Arrangement. Shareholders are advised to carefully read the summaries of certain Canadian federal income tax considerations under "*Certain Canadian Federal Income Tax Considerations*" and to consult with their own tax advisors to determine the tax consequences of the Arrangement to them.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following summary describes the principal Canadian federal income tax considerations in respect of the Arrangement generally applicable to a beneficial owner of Common Shares who, for the purposes of the Tax Act and at all relevant times, (i) deals at arm's length with the Company and the Purchaser, (ii) is not affiliated with the Company or the Purchaser, (iii) holds Common Shares as capital property, and (iv) disposes of Common Shares under the Arrangement (a "**Holder**").

Generally, the Common Shares will be capital property to a Holder unless the Common Shares are held or were acquired in the course of carrying on a business or as part of an adventure or concern in the nature of trade.

This summary is based upon the current provisions of the Tax Act and counsel's understanding of the existing case law and the published administrative policies and assessing practices of the CRA made publicly available prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Proposed Amendments**") and assumes that all of the Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices of the CRA, whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may be different from those discussed in this summary.

This summary is not applicable to a holder (i) that is a "financial institution" as defined in the Tax Act for the purposes of the "mark-to-market property" rules contained in the Tax Act; (ii) that is a "specified financial institution" as defined in the Tax Act; (iii) who has acquired Common Shares on the exercise of an employee stock option or through another equity based employment compensation arrangement; (iv) an interest in which is, or whose Common Shares are, a "tax shelter investment" as defined in the Tax Act; (v) that is exempt from tax under Part I of the Tax Act, (vi) who reports its "Canadian tax results" within the meaning of section 261 of the Tax Act in a currency other than Canadian currency; or (vii) that has entered into or will enter into a "derivative forward agreement" as defined in the Tax Act in respect of the Common Shares. Such

Holders should consult their own tax advisors with respect to the income tax consequences applicable to the Arrangement.

This summary is of a general nature only and is not, and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Holders should consult their own tax advisors with respect to the tax consequences of the Arrangement having regard to their own particular circumstances, and any other consequences to them of such transactions under Canadian federal, provincial, local and foreign tax laws.

Holders Resident in Canada

The following portion of the summary is generally applicable to a Holder who, at all relevant times, is, or is deemed to be, resident in Canada for purposes of the Tax Act and any applicable income tax treaty (a "**Resident Holder**").

Certain Resident Holders whose Common Shares might not otherwise be capital property may, in some circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Common Shares and every other "Canadian security" (as defined in the Tax Act) owned by them deemed to be capital property in the taxation year of the election and in all subsequent taxation years. Resident Holders contemplating such an election should consult their own tax advisors for advice with respect to whether an election under subsection 39(4) of the Tax Act is available or advisable in their particular circumstances.

Disposition of Common Shares under the Arrangement

Generally, a Resident Holder (other than Resident Dissenting Holders) who disposes of Common Shares under the Arrangement will realize a capital gain (or capital loss) equal to the amount by which the Consideration received by the Resident Holder under the Arrangement exceeds (or is less than) the aggregate of the adjusted cost base of the Common Shares to the Resident Holder and any reasonable costs of disposition. The taxation of capital gains and capital losses is discussed below under "– *Capital Gains and Capital Losses*".

Resident Dissenting Holders

A Resident Holder who has validly exercised that Resident Holder's Dissent Right (a "**Resident Dissenting Holder**") will be deemed to have transferred such Resident Dissenting Holder's Common Shares to the Purchaser and will be entitled to receive from the Purchaser a payment of an amount equal to the fair value of such Resident Dissenting Holder's Common Shares.

In general, a Resident Dissenting Holder will realize a capital gain (or capital loss) equal to the amount by which the consideration received in respect of the fair value of such Resident Dissenting Holder's Common Shares (other than in respect of interest awarded by a court) exceeds (or is less than) the aggregate of the adjusted cost base of such Common Shares and any reasonable costs of disposition. See "– *Capital Gains and Capital Losses*". Any interest awarded by a court to a Resident Dissenting Holder is required to be included in the Resident Dissenting Holder's income for the purposes of the Tax Act.

Capital Gains and Capital Losses

Generally, and subject to the discussion in the next paragraph, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by the Resident Holder in the year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized by the Resident Holder in such years, to the extent and in the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of any dividends received (or deemed to be received) by it on such Common Share to the extent and under the circumstances described in the Tax Act. Similar rules may apply where Common Shares are owned by a partnership or trust of which a corporation, partnership or trust is a member or beneficiary. Resident Holders to whom these rules may apply are urged to consult their own tax advisor.

A Resident Holder that is, throughout the year, a "Canadian-controlled private corporation" (as defined in the Tax Act), or, at any time in the year, a "substantive CCPC" (as defined in the Tax Act) may be liable for an additional tax (refundable in certain circumstances) on its "aggregate investment income", which is defined to include an amount in respect of net taxable capital gains and interest.

Capital gains realized by an individual or a trust, other than certain trusts, may give rise to a liability for alternative minimum tax under the Tax Act. Resident Holders should consult their own tax advisors with respect to the potential application of alternative minimum tax in their particular circumstances.

Holders Not Resident in Canada

The following portion of this summary is applicable to a Holder who, for the purposes of the Tax Act and any applicable income tax treaty, and at all relevant times, is not, and is not deemed to be, resident in Canada and does not use or hold, and is not deemed to use or hold, Common Shares in connection with carrying on a business in Canada (a "**Non-Resident Holder**"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer carrying on business in Canada and elsewhere or that is an "authorized foreign bank" (as defined in the Tax Act). Such Non-Resident Holders should consult their own tax advisors.

Disposition of Common Shares under the Arrangement

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain, or be entitled to deduct any capital loss, realized on the disposition of Common Shares under the Arrangement unless, at the disposition time, the Common Shares are "taxable Canadian property" (within the meaning of the Tax Act) to the Non-Resident Holder and do not constitute "treaty-protected property" for purposes of the Tax Act.

In general, provided that the Common Shares are listed on a "designated stock exchange" (as defined in the Tax Act, and which currently includes the TSX) at the disposition time, such Common Shares will not be taxable Canadian property to a Non-Resident Holder unless, at any time during the 60-month period immediately preceding the disposition time, (i) at least 25% of the issued shares of any class or series of the capital stock of the Company were owned by or belonged to one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder did not deal at arm's length, and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest directly or indirectly through one or more partnerships; and (ii) at such time, more than 50% of the fair market value of the Common Shares was derived, directly or indirectly, from any combination of real or immovable property situated in Canada, "Canadian resource property" (as defined in the Tax Act), "timber resource property" (as defined in the Tax Act), or options in respect of, interests in, or for civil law rights in such properties, whether or not such property exists. Notwithstanding the foregoing, the Common Shares may be deemed to be taxable Canadian property in certain circumstances specified in the Tax Act.

Even if the Common Shares are considered to be taxable Canadian property of a Non-Resident Holder, a taxable capital gain or an allowable capital loss resulting from the disposition of Common Shares will not be taken into account in computing the Non-Resident Holder's income under the Tax Act if the Common Shares constitute "treaty-protected property" (as defined in the Tax Act) of the Non-Resident Holder at the time of disposition. Common Shares owned by a Non-Resident Holder will generally be treaty-protected property if the gain from the disposition of such Common Shares would, because of an applicable income tax treaty or convention between Canada and the country in which the Non-Resident Holder is resident for purposes of such treaty, be exempt from tax under Part I of the Tax Act.

In the event that the Common Shares constitute taxable Canadian property but not treaty-protected property to a Non-Resident Holder at the time of the disposition thereof pursuant to the Arrangement, the tax consequences described above under "– *Holders Resident in Canada – Disposition of Common Shares under the Arrangement*" and "– *Holders Resident in Canada – Capital Gains and Capital Losses*" will generally apply as if the Non-Resident Holder were a Resident Holder.

A Non-Resident Holder whose Common Shares may be "taxable Canadian property" should consult its own tax advisor, including with regard to any Canadian tax compliance or reporting requirement arising from this transaction.

Non-Resident Dissenting Holders

A Non-Resident Holder who has validly exercised that Non-Resident Holder's Dissent Right (a "**Non-Resident Dissenting Holder**") will be deemed to have transferred such Non-Resident Dissenting Holder's Common Shares to the Purchaser and will be entitled to receive from the Purchaser a payment of an amount equal to the fair value of the Non-Resident Dissenting Holder's Common Shares.

Non-Resident Dissenting Holders will generally be subject to the same treatment described above under "– *Disposition of Common Shares under the Arrangement*".

The amount of any interest awarded by a court to a Non-Resident Dissenting Holder will not be subject to Canadian withholding tax provided that such interest is not "participating debt interest" (as defined in the Tax Act). Non-Resident Dissenting Holders who intend to dissent from the Arrangement are urged to consult their own tax advisors.

DISSENTING SHAREHOLDERS' RIGHTS

Registered Shareholders have been provided with the right to dissent in respect of the Arrangement Resolution in the manner provided in section 185 of the OBCA, as modified by the Interim Order, the Final Order and the Plan of Arrangement ("**Dissent Rights**"). The following summary is qualified in its entirety by the provisions of section 185 of the OBCA, the Interim Order and the Plan of Arrangement.

Any Registered Shareholder who validly exercises Dissent Rights (a "**Dissenting Shareholder**") may be entitled, in the event the Arrangement becomes effective, to be paid by the Purchaser the fair value of the Common Shares held by such Dissenting Shareholder, which fair value, notwithstanding anything to the contrary contained in Part XIV of the OBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted at the Meeting. A Dissenting Shareholder will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such Shareholders not exercised their Dissent Rights in respect of such Common Shares. Shareholders are cautioned that fair value could be determined to be less than the amount per Common Share payable pursuant to the terms of the Arrangement.

Section 185 of the OBCA provides that a Dissenting Shareholder may only make a claim under that section with respect to all of the Common Shares held by the Dissenting Shareholder on behalf of any one beneficial owner and registered in the Dissenting Shareholder's name. **One consequence of this provision is that a Registered Shareholder may exercise Dissent Rights only in respect of Common Shares that are registered in that Registered Shareholder's name.** In addition, any judicial determination of fair value will result in delay of receipt by a Dissenting Shareholder of consideration for such Dissenting Shareholder's Dissent Shares.

In many cases, Common Shares beneficially owned by a Beneficial Shareholder are registered either: (a) in the name of an intermediary, or (b) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the intermediary is a participant. Accordingly, a Beneficial Shareholder will not be entitled to exercise its Dissent Rights directly (unless the Common Shares are re-registered in the Beneficial Shareholder's name). A Beneficial Shareholder who wishes to exercise Dissent Rights should immediately contact the intermediary with whom the Beneficial Shareholder deals in respect of its Common Shares and either: (i) instruct the intermediary to exercise Dissent Rights on the Beneficial Shareholder's behalf (which, if the Common Shares are registered in the name of CDS Clearing and Depository Services Inc. or other clearing agency, may require that such Common Shares first be re-registered in the name of the intermediary), or (ii) instruct the intermediary to re-register such Common Shares in the name of the Beneficial Shareholder, in which case the Beneficial Shareholder would be able to exercise Dissent Rights directly.

A Registered Shareholder wishing to exercise Dissent Rights with respect to the Arrangement must send a Dissent Notice to the Company at 16 York Street, Suite 1900,

Toronto, Ontario, M5J 0E6, Attention: Hilda Wong, Executive Vice President and General Counsel, with a copy to the Company's counsel, Torys LLP, 79 Wellington Street West, 30th Floor, Box 270, TD South Tower, Toronto, Ontario, M5K 1N2, Attention: Rima Ramchandani and David Forrester, by no later than 5:00 p.m. (Toronto time) on September 26, 2025 (or not later than 5:00 p.m. (Toronto time) that is two business days immediately preceding the date of the adjourned or postponed Meeting if the Meeting is adjourned or postponed), and must otherwise strictly comply with the dissent procedures described in this Circular, the Interim Order, the Final Order, the Plan of Arrangement and section 185 of the OBCA, as modified by the Interim Order, the Final Order, and the Plan of Arrangement. Failure to properly exercise Dissent Rights may result in the loss or unavailability of the Dissent Rights.

The filing of a Dissent Notice does not deprive a Registered Shareholder of the right to vote at the Meeting. No Registered Shareholder who has voted **IN FAVOUR** of the Arrangement Resolution shall be entitled to exercise Dissent Rights with respect to its Common Shares. **A vote against the Arrangement Resolution, an abstention from voting or a proxy submitted instructing a proxyholder to vote against the Arrangement Resolution does not constitute a Dissent Notice**, but a Registered Shareholder need not vote its Common Shares against the Arrangement Resolution in order to dissent. Similarly, the revocation of a proxy conferring authority on the proxyholder to vote **IN FAVOUR** of the Arrangement Resolution does not constitute a Dissent Notice. However, any proxy granted by a Registered Shareholder who intends to dissent, other than a proxy that instructs the proxyholder to vote against the Arrangement Resolution, should be validly revoked in order to prevent the proxyholder from voting such Common Shares for of the Arrangement Resolution and thereby causing the Registered Shareholder to forfeit his, hers or its Dissent Rights.

Within 10 days after Shareholders adopt the Arrangement Resolution, the Company is required to notify each Dissenting Shareholder that the Arrangement Resolution has been adopted. Such notice is not required to be sent to any Shareholder who voted **IN FAVOUR** of the Arrangement Resolution or who has withdrawn its Dissent Notice.

A Dissenting Shareholder who has not withdrawn its Dissent Notice prior to the Meeting must then, within 20 days after receipt of notice that the Arrangement Resolution has been adopted, or if a Dissenting Shareholder does not receive such notice, within 20 days after learning that the Arrangement Resolution has been adopted, send to the Company a written notice containing his or her name and address, the number of Common Shares in respect of which he or she dissents (the "**Dissent Shares**"), and a demand for payment of the fair value of such Common Shares (the "**Demand for Payment**"). Within 30 days after sending a Demand for Payment, a Dissenting Shareholder must send to the Company certificates representing the Common Shares in respect of which he or she dissents. The Company will or will cause the Depositary to endorse on the applicable Common Share certificates received from a Dissenting Shareholder a notice that the holder is a Dissenting Shareholder and will forthwith return such Common Share certificates to a Dissenting Shareholder.

Failure to strictly comply with the requirements set forth in section 185 of the OBCA, as modified by the Plan of Arrangement, Interim Order and Final Order may result in the loss of any right to dissent.

After sending a Demand for Payment, a Dissenting Shareholder ceases to have any rights as a Shareholder in respect of its Dissent Shares other than the right to be paid the fair value of the Dissent Shares held by such Dissenting Shareholder, except where: (i) a Dissenting Shareholder withdraws its Dissent Notice before the Company makes an offer to pay (an "**Offer to Pay**"), or (ii) the Company fails to make an Offer to Pay and a Dissenting Shareholder withdraws the Demand for Payment, in which case a Dissenting Shareholder's rights as a Shareholder will be reinstated as of the date of the Demand for Payment, unless such withdrawal occurs at or after the Effective Time, in which case the Dissenting Shareholder will be deemed to have participated in the Arrangement on the same basis as a Shareholder (other than a holder of Rollover Shares) that is not a Dissenting Shareholder.

Pursuant to the Plan of Arrangement, in no circumstance shall the Company or the Purchaser or any other Person be required to recognize any Dissenting Shareholder as a Shareholder in respect of which Dissent Rights have been validly exercised at or after the Effective Time, and at the Effective Time the names of such Dissenting Shareholders shall be removed from the central securities register of holders of Common Shares and the Purchaser shall be recorded as the registered holder of such Common Shares and shall be deemed to be the legal owner of such Common Shares.

In addition to any other restrictions under section 185 of the OBCA, none of the following shall be entitled to exercise Dissent Rights: (i) Company Noteholders (each in their capacity as a Company Noteholder), (ii) Shareholders who vote or have instructed a proxyholder to vote such Common Shares **IN FAVOUR** of the Arrangement Resolution (but only in respect of such Common Shares), and (iii) Persons who are not Registered Shareholders of those Common Shares in respect of which such Dissent Rights are sought to be exercised, and (iv) the Rollover Shareholders and Regal Holdings LP.

Pursuant to the Plan of Arrangement, Dissenting Shareholders who are ultimately determined not to be entitled, for any reason, to be paid fair value for their Dissent Shares, shall be deemed to have participated in the Arrangement on the same basis as any Shareholder who is not a Dissenting Shareholder.

The Company is required, not later than seven (7) days after the later of the Effective Date or the date on which a Demand for Payment is received from a Dissenting Shareholder, to send to each Dissenting Shareholder who has sent a Demand for Payment, an Offer to Pay for its Dissent Shares in an amount considered by the Board to be the fair value of the Common Shares, accompanied by a statement showing the manner in which the fair value was determined. Every Offer to Pay for Common Shares of the same class must be on the same terms. The Purchaser must pay for the Dissent Shares of a Dissenting Shareholder within 10 days after an Offer to Pay has been accepted by a Dissenting Shareholder, but any such offer lapses if the Company does not receive an acceptance within 30 days after the Offer to Pay has been made.

If the Company fails to make an Offer to Pay for Dissent Shares, or if a Dissenting Shareholder fails to accept an Offer to Pay that has been made, the Company may, within 50 days after the Effective Date or within such further period as a court may allow, apply to a court to fix a fair value for the Dissent Shares. If the Company fails to apply to a court, a Dissenting Shareholder may apply to a court for the same purpose within a further period of 20 days or within such further

period as a court may allow. A Dissenting Shareholder is not required to give security for costs in such an application.

If the Company or a Dissenting Shareholder makes an application to court, the Company will be required to notify each affected Dissenting Shareholder of the date, place and consequences of the application and of its right to appear and be heard in person or by counsel. Upon an application to a court, all Dissenting Shareholders who have not accepted an Offer to Pay will be joined as parties and be bound by the decision of the court. Upon any such application to a court, the court may determine whether any person is a Dissenting Shareholder who should be joined as a party, and the court will then fix a fair value for the Dissent Shares of all Dissenting Shareholders. The final order of a court will be rendered against the Company in favour of each Dissenting Shareholder for the amount of the fair value of its Dissent Shares as fixed by the court. The court may, in its discretion, allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder from the Effective Date until the date of payment.

The foregoing is only a summary of the provisions of the OBCA regarding the rights of Dissenting Shareholders (as modified by the Plan of Arrangement, Interim Order and Final Order), which are technical and complex. Shareholders are urged to review the full text of section 185 of the OBCA, which is attached as D to this Circular, and those Shareholders who wish to exercise Dissent Rights are also advised to seek legal advice, as failure to comply strictly with the provisions of the OBCA, as modified by the Plan of Arrangement, Interim Order, and Final Order, may result in the loss or unavailability of their Dissent Rights.

DEPOSITARY

Computershare Investor Services Inc. will act as the Depositary for the receipt of certificates or DRS Advices representing the Common Shares and Company Notes and related Letters of Transmittal and the payments to be made to the Shareholders (other than any Dissenting Shareholders) and Company Noteholders pursuant to the Arrangement. The Depositary will receive reasonable and customary compensation for its services in connection with the Arrangement, will be reimbursed for certain out-of-pocket expenses and will be indemnified by the Company against certain liabilities under applicable Securities Laws and expenses in connection therewith.

No fee or commission is payable by any holder of Common Shares or Company Notes who transmits its Common Shares or Company Notes directly to the Depositary. Except as set forth elsewhere in this Circular, the Company will not pay any fees or commissions to any broker or dealer or any other person for soliciting deposits of Common Shares pursuant to the Arrangement.

QUESTIONS AND FURTHER ASSISTANCE

If you have any questions about the information contained in this Circular or require assistance in completing your proxy, please contact Laurel Hill Advisory Group at 1-877-452-7184 (toll-free in North America) or at 1-416-304-0211 (outside of North America) or by e mail at assistance@laurelhill.com. Questions on how to complete the Letter of Transmittal should be directed to the Depositary, Computershare Investor Services Inc., at 1-800-564-6253 (toll-free within North America) or at 1-514-982-7555 (outside of North America) or by e-mail at corporateactions@computershare.com.

ADDITIONAL INFORMATION

Additional information relating to the Company is available on SEDAR+ at www.sedarplus.ca, including Company's comparative financial statements and Annual MD&A for its most recently completed financial year, which includes detailed financial information in respect of the Company. Shareholders may contact the Company to request a copy of the Company financial statements and accompanying management discussion and analysis without charge by contacting the Company's Investor Relations Department, through email at rob.inglis@firstnational.ca, or through the Company website at www.firstnational.ca.

Any statement contained in this Circular or in any other document incorporated by reference in this Circular shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which is also deemed to be incorporated by reference in this Circular modifies or supersedes such 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 which it modifies or supersedes. The making of a modifying or superseding statement shall 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 constitute a part of this Circular except as so modified or superseded.

DIRECTORS' APPROVAL

The contents and sending of this Circular have been approved by the directors of the Company. A copy of this Circular has been sent to each director of the Company, each Shareholder entitled to notice of the Meeting, the Company Noteholders and to the auditors of the Company.

DATED at Toronto, Ontario this 27th day of August, 2025.

By Order of the Board of Directors

(Signed) "Robert Mitchell"
Robert Mitchell
Lead Independent Director & Chair of the
Special Committee

GLOSSARY OF TERMS

"**Acceptable Confidentiality Agreement**" means a confidentiality and standstill agreement on terms and conditions that are no less favourable to the Company than those contained in the Confidentiality Agreements.

"**Acquisition Facilities**" has the meaning ascribed thereto under "*The Arrangement – Sources of Funds for the Arrangement – Debt Commitment Letter*".

"**Acquisition Proposal**" means, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only the Company and/or one or more of its wholly-owned Subsidiaries, any offer, proposal or inquiry (written or oral) from any Person or group of Persons, other than the Purchaser (or an affiliate of the Purchaser or any Person acting jointly or in concert with the Purchaser in respect of such Acquisition Proposal), received by the Company after the date of the Arrangement Agreement relating to, in each case whether in a single transaction or a series of transactions: (i) any direct or indirect acquisition, purchase, sale or disposition (or any lease, joint venture, royalty, license or other arrangement having the same economic effect as a sale or disposition) of (A) assets of the Company (including securities of any Subsidiary of the Company) and/or one or more of its Subsidiaries, individually or in the aggregate, representing 20% or more of the consolidated assets of the Company and its Subsidiaries, taken as a whole, or contributing 20% or more of the consolidated revenue of the Company and its Subsidiaries, taken as a whole (in each case, based on the most recent publicly available consolidated financial statements of the Company filed as part of the Company Filings), or (B) 20% or more of any class of voting or equity securities of the Company or 20% or more of any class of voting or equity securities of any of the Company's Subsidiaries (including securities convertible into or exercisable or exchangeable for voting or equity securities of the Company or any of its Subsidiaries) that, individually or in the aggregate, contribute 20% or more of the consolidated revenues, or constitute 20% or more of the consolidated assets of the Company and its Subsidiaries (in each case, based on the most recent publicly available consolidated financial statements of the Company filed as part of the Company Filings); (ii) any direct or indirect take-over bid, tender offer, exchange offer, sale or other issuance of securities or other transaction that, if consummated, would result in a Person or group of Persons beneficially owning 20% or more of any class of voting or equity securities of the Company or any of its Subsidiaries (including securities convertible into or exercisable or exchangeable for voting or equity securities of the Company or any of its Subsidiaries) then outstanding (assuming, if applicable, the conversion, exchange or exercise of such securities convertible into or exercisable or exchangeable for voting or equity securities); (iii) any acquisition, disposition, plan of arrangement, merger, amalgamation, consolidation, share exchange, share reclassification, business combination, reorganization, recapitalization, liquidation, dissolution, winding up or exclusive license; or (iv) other similar transaction or series of transactions involving the Company or any Subsidiary.

"**affiliate**" of a Person means another Person if one of them is a Subsidiary of the other or each one of them is controlled, directly or indirectly, by the same Person. For purposes of the Arrangement Agreement and this Circular, (a) an "affiliate" of the Purchaser includes each Sponsor; provided that a Sponsor and its other affiliates shall not be deemed to be affiliates of the other Sponsor and the other Sponsor's other affiliates by virtue of this clause (a); (b) an "affiliate" of a Sponsor that is a Brookfield Controlled Investment Affiliate includes Brookfield and any

Brookfield Affiliate; and (c) an "affiliate" of a Sponsor that is a Birch Hill Controlled Investment Affiliate includes Birch Hill and any Birch Hill Affiliate.

"**AIF**" has the meaning ascribed thereto under the heading "*Forward-Looking Information*".

"**allowable capital loss**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Capital Gains and Capital Losses*".

"**Annual MD&A**" has the meaning ascribed thereto under the heading "*Forward-Looking Information*".

"**ARC**" has the meaning ascribed thereto under the heading "*The Arrangement – Certain Legal Matters – Competition Act Approval*".

"**Arrangement**" means the arrangement of the Company under section 182 of the OBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto made in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement dated as of July 27, 2025 among the Purchaser and the Company, including all schedules annexed thereto, as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

"**Arrangement Resolution**" means the special resolution of the Shareholders approving the Plan of Arrangement to be considered at the Meeting by the Shareholders and as set forth in Appendix "A" to this Circular.

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement, required by the OBCA to be sent to the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

"**Authorization**" means with respect to any Person, any order, grant, permit, approval, certificate, consent, waiver, licence, classification, registration or similar authorization of any Governmental Entity having jurisdiction over the Person.

"**Back-Stop Credit Facility**" has the meaning ascribed thereto under "*The Arrangement – Sources of Funds for the Arrangement – Debt Commitment Letter*".

"**Beneficial Shareholders**" has the meaning ascribed thereto under the heading "*Information Concerning the Meeting and Voting – Beneficial Shareholders*".

"**Birch Hill**" means Birch Hill Equity Partners Management Inc.

"**Birch Hill Affiliate**" means any Person that, directly or indirectly, controls, or is controlled by or is under common control with Birch Hill.

"**Birch Hill Controlled Investment Affiliate**" means any investment fund, co-investment vehicle and/or similar investment vehicle that: (a) is organized by Birch Hill or any Birch Hill Affiliate for the purpose of making equity or debt investments in one or more companies; and (b) is controlled by, or is under common control with, Birch Hill.

"**Blakes**" means Blake, Cassels & Graydon LLP.

"**BMO Capital Markets**" means BMO Nesbitt Burns Inc.

"**Board**" means the board of directors of the Company as constituted from time to time, but excluding, where the context requires, any Conflicted Director.

"**Board Recommendation**" has the meaning ascribed thereto under "*The Arrangement – Recommendation of the Unconflicted Company Board*".

"**Brookfield**" means Brookfield Capital Partners Ltd.

"**Brookfield Affiliate**" means any Person that, directly or indirectly, controls, or is controlled by or is under common control with Brookfield, or is a client or account of which Brookfield or another Brookfield Affiliate is a manager or adviser.

"**Brookfield Controlled Investment Affiliate**" means any investment fund, co-investment vehicle and/or similar investment vehicle or managed account that: (a) is organized by Brookfield or any Brookfield Affiliate for the purpose of making equity or debt investments in one or more companies; and (b) is controlled by, or is under common control with, Brookfield.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

"**CDS**" has the meaning ascribed thereto under the heading "*Information Concerning the Meeting and Voting – Beneficial Shareholders*".

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

"**Change in Recommendation**" has the meaning ascribed to it under "*The Arrangement Agreement – Termination of the Arrangement Agreement*".

"**Circular**" means the notice of the Meeting and this management information circular of the Company dated August 27, 2025, together with all appendices hereto, and information incorporated by reference herein, distributed to Shareholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement.

"**Closing**" has the meaning ascribed to it under "*The Arrangement Agreement – Articles of Arrangement and Effective Date*".

"**CMHC**" means the Canada Mortgage and Housing Corporation, a crown corporation of the Government of Canada.

"**CMHC Adverse Event**" means, directly or indirectly, (a) any termination or revocation by CMHC or any representative thereof of the status of First National Financial GP Corporation as an approved lender, issuer or seller, as applicable, or any material and adverse change to its allocation under any CMHC Program; or (b) any written communication from CMHC or representative thereof informing the Company or any of its Subsidiaries of any of the matters in clause (a) of this definition.

"**CMHC Program**" means any of the following: (a) the National Housing Act mortgage loan insurance program administered by CMHC; (b) the National Housing Act Mortgage-Backed Securities program guaranteed by CMHC; and (c) the Canada Mortgage Bond program guaranteed by CMHC.

"**CMHC Program Agreement**" means, collectively, (a) the Master Transfer Agreement dated October 19, 2007 between First National Financial GP Corporation, as seller, and CIBC Mellon Trust Company, as trustee on behalf of Canada Housing Trust No. 1, as purchaser, (b) the Mortgage Pools Transfer Agreement (CMHC 2836) dated October 19, 2007 between First National Financial GP Corporation and CMHC and (c) the Mortgage Pool Transfer and Servicing Agreement dated October 19, 2007 between First National Financial GP Corporation and CMHC (CMHC 2835).

"**Collective Agreements**" means any collective bargaining agreements or Union agreements applicable to the Company or any of its Subsidiaries and all related letters or memoranda of understanding applicable to the Company or any of its Subsidiaries which impose obligations upon the Company or any of its Subsidiaries.

"**Commissioner**" means the Commissioner of Competition appointed pursuant to subsection 7(1) of the Competition Act or his or her designee.

"**Commitment Letters**" means, collectively, the Equity Commitment Letters and the Debt Commitment Letter.

"**Common Shares**" means the common shares in the capital of the Company.

"**Company**" or "**First National**" or "**we**" or "**our**" means First National Financial Corporation, a company existing under the laws of the Province of Ontario.

"**Company Credit Facility**" means the second amended and restated credit agreement dated as of May 26, 2023, as amended by a first amendment dated April 23, 2024 and a second amendment dated October 25, 2024, among First National Financial LP (as borrower), Royal Bank of Canada (as agent, joint bookrunner, co-lead arranger and co-sustainability structuring agent), Bank of Montreal (as syndication agent), TD Securities Inc. (as joint bookrunner and co-lead arranger), The Toronto-Dominion Bank (as documentation agent and co-sustainability structuring agent), and certain other credit parties and lenders thereto, as amended, supplemented or otherwise modified from time to time following the date hereof as permitted by the Arrangement Agreement.

"**Company Disclosure Letter**" means the disclosure letter dated the date of the Arrangement Agreement and all schedules, exhibits and appendices thereto, delivered by the Company to the Purchaser with the Arrangement Agreement.

"**Company Employees**" means the officers and employees of the Company and its Subsidiaries.

"**Company Filings**" means all documents publicly filed by or on behalf of the Company on SEDAR+ since December 31, 2023.

"**Company Note Consideration**" means a payment in cash of the amount that each holder of Company Notes outstanding on the Effective Date would be entitled to receive upon the redemption of its Company Notes on the Effective Date in accordance with the Company Notes Indenture.

"**Company Noteholders**" means holders of Company Notes.

"**Company Notes**" means, collectively, (i) the Series 3 Notes, (ii) the Series 4 Notes and (iii) the Series 5 Notes.

"**Company Notes Indenture**" means the trust indenture dated April 9, 2015 between the Company and the Indenture Trustee, as amended and supplemented by a first supplemental indenture dated November 25, 2019, a second supplemental indenture dated November 16, 2020, a third supplemental indenture dated September 6, 2023 and a fourth supplemental indenture dated April 1, 2024.

"**Company Owned Intellectual Property**" means any and all Intellectual Property that is owned by the Company or any of its Subsidiaries.

"**Company Related Parties**" has the meaning ascribed thereto under "*The Arrangement Agreement – Limitation of Liability*".

"**Company Shareholder Approval**" has the meaning ascribed thereto under "*The Arrangement*".

"**Competition Act**" means the Competition Act (Canada).

"**Competition Act Approval**" means, in respect of the transactions contemplated by the Arrangement Agreement, either: (a) the issuance of an ARC; or (b) both of (i) the applicable waiting periods under subsection 123(1) of the Competition Act shall have expired or have been waived in accordance with subsection 123(2) of the Competition Act or the obligation to provide a pre-merger notification in accordance with Part IX of the Competition Act shall have been waived in accordance with paragraph 113(c) of the Competition Act and (ii) the Purchaser shall have received a No Action Letter.

"**Competition Tribunal**" has the meaning ascribed thereto under the heading "*The Arrangement – Certain Legal Matters – Competition Act Approval*".

"**Computershare**" means Computershare Investor Services Inc., the transfer agent of the Company.

"**Confidentiality Agreements**" means the confidentiality agreements entered into between the Company and an affiliate of each of the Sponsors dated January 29, 2025 and February 3, 2025.

"**Conflicted Director**" means, in respect of any particular Contract or transaction (including, for greater certainty, the Arrangement Agreement, the Arrangement and any Acquisition Proposal), any director that has a disclosable interest pursuant to section 132 of the OBCA and who is thereby not entitled to vote on a resolution to approve the Contract or transaction.

"**Consideration**" means the consideration to be received by the Shareholders (other than (a) the Rollover Shareholders and Regal Holdings LP in respect of the Rollover Shares and (b) Dissenting Shareholders) pursuant to the Plan of Arrangement, being $48.00 in cash per Share, without interest, as may be adjusted in accordance with section 2.10 of the Arrangement Agreement.

"**Constating Documents"** means: (a) articles of incorporation, amalgamation or continuance, as applicable, and by-laws; (b) partnership agreements; or (c) other applicable governing documents, and all amendments thereto.

"**Contract**" means any agreement, commitment, engagement, contract, licence, lease, obligation or undertaking (written or oral) to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound or to which any of their respective properties or assets is subject.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**CRA**" means the Canada Revenue Agency.

"**Debt Commitment Letter**" means the debt commitment letter among the Purchaser and the Debt Financing Sources party thereto (as amended from time to time after the date of the Arrangement Agreement in compliance with section 4.6 of the Arrangement Agreement).

"**Debt Financing**" has the meaning ascribed thereto under "*The Arrangement – Sources of Funds for the Arrangement – Debt Commitment Letter*".

"**Debt Financing Sources**" means any lender, agent or arranger that commits to provide, or otherwise enters into agreements with the Purchaser or its respective affiliates in connection with, the Debt Financing, including the Debt Commitment Letters, any joinders to such letters or any definitive documentation relating thereto, and their respective successors and assigns.

"**Defined Benefit Pension Plan**" means a registered pension plan which contains a "defined benefit provision" (as defined in subsection 147.1(1) of the Tax Act).

"**Demand for Payment**" has the meaning ascribed thereto under "*Dissenting Shareholders' Rights*".

"**Depositary**" means Computershare Investor Services Inc. or such other Person as the Company may appoint to act as depositary in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

"**Director**" means the Director appointed pursuant to section 278 of the OBCA.

"**Dissent Notice**" means a notice exercising Dissent Rights sent by no later than 5:00 p.m. (Toronto time) on September 26, 2025 (or not later than 5:00 p.m. (Toronto time) on the date that is two business days immediately preceding the date of the adjourned or postponed Meeting, if the Meeting is adjourned or postponed).

"**Dissent Rights**" has the meaning ascribed thereto under "*Dissenting Shareholders' Rights*".

"**Dissent Shares**" has the meaning ascribed thereto under "*Dissenting Shareholders' Rights*".

"**Dissenting Shareholder**" has the meaning ascribed thereto under "*Dissenting Shareholders' Rights*".

"**DRS Advice**" has the meaning ascribed thereto under "*Arrangement Mechanics – Certificates and Payment*".

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 8:01 a.m. (Toronto time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Employee Plans**" means, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered, all health, welfare, supplemental unemployment benefit, bonus, profit sharing, option, stock appreciation, savings, insurance, incentive, incentive compensation, deferred compensation, share purchase, share compensation, change of control, disability, retirement, pension or supplemental retirement plans and other employee or director compensation or benefit plans, policies, trusts, funds, agreements or arrangements for the benefit of directors or former directors of the Company or any of its Subsidiaries, Company Employees or former employees of the Company or any of its Subsidiaries (or their respective beneficiaries) or any other current or former individual service providers of the Company or any of its Subsidiaries, in each case, which are maintained, funded, sponsored or contributed to by the Company or any of its Subsidiaries or binding upon the Company or any of its Subsidiaries or in respect of which the Company or any of its Subsidiaries has any liability, other than any statutory plans administered by a Governmental Entity, including the Canada Pension Plan and Québec Pension Plan and plans administered pursuant to applicable federal or provincial health, worker's compensation or employment insurance legislation.

"**Engagement Agreement**" has the meaning ascribed thereto under "*The Arrangement – Formal Valuation and Fairness Opinion – Mandate and Professional Fees*".

"**Equity Commitment Letters**" means the equity commitment letters among the Purchaser and the Sponsors (as amended from time to time after the date of the Arrangement Agreement in compliance with section 4.6 of the Arrangement Agreement).

"**Equity Financing**" means the commitment by each of the Sponsors to invest, subject to the terms and conditions set forth in the Equity Commitment Letters, the amounts set forth therein in the Purchaser.

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

"**Financial Advisors**" means, together, RBC and BMO Capital Markets.

"**Financing**" means, collectively, the Debt Financing and the Equity Financing.

"**Financing Sources**" means each Person (including each lender, agent or arranger) that commits to provide, or otherwise enters into agreements with the Purchaser or its affiliates in connection with, the Financing, including the Commitment Letters, any joinders to such letters or any definitive documentation relating thereto, together with such Person's successors, assigns, affiliates, officers, directors, employees and representatives and their respective successors, assigns, affiliates, officers, directors, employees and representatives.

"**Formal Valuation and Fairness Opinion**" means the independent formal valuation of the Common Shares provided by BMO Capital Markets in accordance with the requirements of MI 61-101 prepared under the supervision of the Special Committee, and the opinion of BMO Capital Markets to the effect that, as of July 27, 2025, the Consideration to be received by Shareholders (other than the Rollover Shareholders) pursuant to the Arrangement is fair, from a financial point of view, to such Shareholders, a copy of which is attached as Appendix "E" to this Circular.

"**Founder Voting Agreements**" mean the irrevocable voting agreements dated July 27, 2025 between each Founder and the Purchaser pursuant to which each Founder agreed, among other things, to vote all of the Common Shares owned, directly or indirectly, or controlled by, such Founder in favour of the Arrangement and against any competing acquisition proposals.

"**Founders**" means, together, Stephen Smith and Moray Tawse.

"**Fund Arrangement**" has the meaning ascribed thereto under "*Information Regarding First National*".

"**General Partner**" means First National Financial GP Corporation, in its capacity as general partner of First National Financial LP.

"**Government of Canada Yield**" means, on any date, the annual yield to maturity on such date, assuming semi-annual compounding, which an issue of non-callable Government of Canada bonds would carry if issued in Canadian dollars in Canada, at 100% of its principal amount on such date, on the remaining term to (a) with respect to the Series 3 Notes, October 17, 2025, (b) with respect to the Series 4 Notes, September 8, 2026 and (c) with respect to the Series 5 Notes, November 1, 2027. This amount will be determined initially by each of two investment dealers selected by First

National and the final Government of Canada Yield for any relevant redemption will be the average of the bid-side of such two amounts (rounded to three decimal points).

"**Governmental Entity**" means (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, minister, ministry, governor in council, cabinet, agency or instrumentality, domestic or foreign, (b) any subdivision or authority of any of the above, (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, (d) any Securities Authority or stock exchange, including the TSX or (e) the CMHC.

"**Guaranteed Obligation**" has the meaning ascribed thereto under "*The Arrangement – Sources of Funds for the Arrangement – Limited Guarantees*".

"**Guarantees**" means the unconditional and irrevocable limited guarantees addressed to, and in favour of, the Company from each Sponsor guaranteeing the payment of the Reverse Termination Fee and the Purchaser's reimbursement and indemnification obligations in connection with the Arrangement Agreement, delivered by the Purchaser to the Company concurrently with the execution of the Arrangement Agreement.

"**Holder**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations*".

"**IFRS**" means generally accepted accounting principles as set out in the *CPA Canada Handbook – Accounting* for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

"**Incidental Licenses**" means non-exclusive licenses granted to the Company or any of its Subsidiaries (a) for shrink-wrap, click-wrap or similar commercially available off-the-shelf Software, products or applications, (b) for non-specific Intellectual Property provided under background licenses in consulting agreements or other similar agreements, or (c) in nondisclosure agreements entered into in the Ordinary Course.

"**Indenture Trustee**" means Computershare Trust Company of Canada.

"**Initial Purchaser Proposal**" has the meaning ascribed thereto under the heading "*The Arrangement – Background to the Arrangement*".

"**Intellectual Property**" means all intellectual property and industrial property rights which may exist under the Laws of any jurisdiction throughout the world, including any of the following: (a) patents, patent applications, and inventions (whether patentable or not); (b) registered and unregistered trademarks, service marks and trade names, pending trademark and service mark registration applications; (c) registered and unregistered copyrights, and applications for registration of copyrights; (d) Internet domain names, website names and World Wide Web addresses, social media accounts and other electronic identifiers; (e) trade secrets, know-how, proprietary information or materials, confidential information and business information, including ideas, research and development, know-how, formulae, compositions, technical data, designs, specifications, schematics, algorithms, architectures, drawings, customer and supplier lists, pricing

and cost information and business and marketing plans and proposals; (f) integrated circuit, topographies, integrated circuit topography registrations and applications, mask works, mask work registrations and applications for mask work registrations; (g) industrial designs, industrial designation registrations and applications, designs, design registrations and design registration applications; and (h) rights in Software, data and databases.

"**Interim Order**" means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably, a copy of which is attached as Appendix "C" to this Circular.

"**Law**" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, decision or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and, to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

"**Leased Real Property**" means all real property leased, subleased, licensed, or similarly occupied by the Company or any of its Subsidiaries or which the Company or any of its Subsidiaries otherwise has a right or option to use or occupy, together with all structures, facilities, fixtures, systems, improvements and items of property previously or hereafter located thereon, or attached or appurtenant thereto, and all easements, rights and appurtenances relating to the foregoing.

"**Lenders**" has the meaning ascribed thereto under "*The Arrangement – Sources of Funds for the Arrangement – Debt Commitment Letter*".

"**Letter of Transmittal**" means the form of letter of transmittal accompanying this Circular sent to (a) registered Shareholders in respect of the disposition of their Common Shares or (b) registered Company Noteholders in respect of the redemption of their Company Notes, in each case, pursuant to the Arrangement.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachment, option, right of first refusal or first offer, occupancy right, covenant, assignment, defect of title, restriction or adverse right or claim, lien (statutory or otherwise) or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.

"**Limited Guarantee**" has the meaning ascribed thereto under "*The Arrangement – Sources of Funds for the Arrangement – Limited Guarantees*".

"**Master Mortgage Loan Default Policy**" means (a) AIG United Guaranty (now Canada Guaranty Mortgage Insurance Company) Master Mortgage Insurance Policy in favour of First National Financial LP dated March 23, 2007 and effective as of March 20, 2007; (b) Genworth Financial Mortgage Insurance Company Canada (now Sagen MI Canada Inc.) First Mortgage (Charge) Master Policy in favour of First National Financial LP dated June 13, 2006 and effective as of June 13, 2006, as amended; and (c) Enhanced Claims Service Agreement dated February 9,

2017 between Canada Mortgage and Housing Corporation and First National Financial LP and Master Loan Insurance Policy dated September 1, 2016.

"**Matching Period**" has the meaning ascribed thereto under "*The Arrangement Agreement – Covenants – Notification of Acquisition Proposals – Right to Match*".

"**Material Adverse Effect**" means any CMHC Adverse Event or any change, event, occurrence, effect, state of facts, development or circumstance that, individually or in the aggregate with other changes, events, occurrences, effects, states of facts, developments or circumstances, has or would reasonably be expected to have a material and adverse effect on the business, operations, affairs, results of operations, assets, properties, liabilities (contingent or otherwise), capitalization or financial condition of the Company and its Subsidiaries, taken as a whole, but excluding any change, event, occurrence, effect, state of facts or circumstance resulting from or arising, directly or indirectly, in connection with:

(a) any change, development, condition or event generally affecting the industries, businesses or segments thereof, in which the Company and its Subsidiaries operate;

(b) any change, development or condition in or relating to global, national or regional political conditions (including general labour strikes, lockouts, protests, riots, or acts of sabotage, espionage, cyberattack or terrorism, or any outbreak of hostilities or declared or undeclared war, or any escalation or worsening thereof) or in general economic, business, banking, regulatory, financial, credit, currency exchange, interest rate, rates of inflation or market conditions in Canada, the United States or elsewhere or in national or global financial or capital markets, including the imposition or adjustment of tariffs, tariff policies or other limitations on trade or the threat thereof;

(c) any adoption, proposal, implementation or change in Law or in any interpretation, application or non-application of any Laws by any Governmental Entity, and any action taken (or omitted to be taken) by the Company or any of its Subsidiaries which is required thereby;

(d) any change in applicable generally accepted accounting principles, including IFRS, or regulatory accounting requirements applicable in the industries in which the Company or any of its Subsidiaries conducts business;

(e) any earthquake or other natural disaster;

(f) any epidemic, pandemic or outbreak of illness or other health crisis or public health event, or the worsening of any of the foregoing;

(g) any action taken (or omitted to be taken) by the Company or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to the Arrangement Agreement or that is requested or consented to by the Purchaser in writing;

(h) the failure of the Company to meet any internal, published or public projections, forecasts, guidance or estimates, including revenues, earnings, cash flows or other measure of financial performance or results of operations, it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred (unless excluded by other clauses in this definition);

(i) any downgrade or anticipated downgrade in rating or rating outlook applicable to any of the Rated Matters, it being understood and agreed that the causes underlying such downgrade may be taken into account in determining whether a Material Adverse Effect has occurred (unless excluded by other clauses in this definition);

(j) the execution, announcement, pendency or performance of the Arrangement Agreement or consummation of the Arrangement, including (i) any steps taken pursuant to section 4.4 of the Arrangement Agreement (being the Parties' covenants relating to the Competition Act Approval); and/or (ii) any loss or threatened loss of, or adverse change or threatened adverse change in, the relationship of the Company or any of its Subsidiaries with any Governmental Entity or their respective current or prospective customers, clients, suppliers, officers, employees, partners, lessors, licensors, regulators, rating agencies, creditors, shareholders, contractors and other Persons with which the Company or any of its Subsidiaries has business relations, in each case, related thereto;

(k) the communication by Purchaser, the Sponsors, or their respective affiliates regarding their plans or intentions for the Company;

(l) any change in the market price or trading volume of any securities of the Company, it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Material Adverse Effect has occurred (unless excluded by other clauses in this definition);

(m) any actions or proceedings brought by or on behalf of Shareholders relating to the Arrangement Agreement or the Arrangement; and

(n) any information or matter disclosed in the Company Disclosure Letter prior to the date hereof for which, and only to the extent that, the nature and magnitude is reasonably apparent on the face of such disclosure,

provided, however, (I) clauses (i), (j) and (n) above shall not apply to a CMHC Adverse Event; (II) if any change, event, occurrence, effect, state of facts, development or circumstance referred to in clauses (a) through to and including (f) above, materially and disproportionately adversely affects the Company and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the industries and businesses in which the Company and its Subsidiaries operate, such change, event, occurrence, effect, state of facts, development or circumstance may be taken into account in determining whether a Material Adverse Effect has or would reasonably be expected to have occurred; and (III) references in certain sections of the Arrangement Agreement to

dollar amounts are not intended to be, and shall not be deemed to be, illustrative for purposes of determining whether a "Material Adverse Effect" has occurred.

For greater certainty, clause (j) above shall not apply for purposes of the "Material Adverse Effect" qualification in the representations and warranties of the Company set forth in paragraphs 4 (*Governmental Authorization*) and 5 (*Non Contravention*) of Schedule C to the Arrangement Agreement and the related bring down of such representations and warranties in section 6.2(1) of the Arrangement Agreement.

"**Material Contract**" means any Contract:

(a) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect;

(b) that is a material contract filed by the Company pursuant to National Instrument 51-102 – Continuous Disclosure Obligations and which is still in effect;

(c) that is a shareholder agreement, partnership agreement, limited liability company agreement, joint venture agreement or similar agreement or arrangement, relating to the formation, creation or operation of any corporation, partnership, limited liability company, trust or joint venture in which the Company or any of its Subsidiaries is a shareholder, partner, member or joint venturer (or other participant) that is material to the Company and its Subsidiaries, taken as a whole, but excluding any such partnership, limited liability company, trust or joint venture which is a wholly-owned Subsidiary of the Company;

(d) pursuant to which the Company or any of its Subsidiaries has an obligation to issue or repurchase equity interests;

(e) (i) relating to indebtedness of the Company or any of its Subsidiaries for borrowed money that is or may become outstanding in excess of $5,000,000; (ii) financing arrangements of the Company or any of its Subsidiaries relating to repurchase transactions; or (iii) relating to hedges, swaps or other derivatives in excess of $25,000,000 of current notional value, in each case, whether unsecured or secured, other than, in each case, any such Contract between two (2) or more wholly-owned Subsidiaries of the Company or between the Company and one (1) or more of its wholly-owned Subsidiaries;

(f) that is a guarantee of any similar commitment with respect to any liabilities in excess of $5,000,000, other than any such Contract between two or more wholly-owned Subsidiaries of the Company or between the Company and one or more of its wholly-owned Subsidiaries;

(g) restricting the incurrence of indebtedness by the Company or any of its Subsidiaries or the incurrence of any Liens on any properties or assets of the Company or the payment of dividends or other distributions by the Company or any of its Subsidiaries;

(h) under which a customer of the Company or any of its Subsidiaries made payments to the Company and its Subsidiaries in excess of $4,000,000 for the fiscal year ended December 31, 2024;

(i) under which a supplier of the Company or its Subsidiaries received payments from the Company and its Subsidiaries in excess of $3,000,000 for the fiscal year ended December 31, 2024;

(j) that relates to third party underwriting and processing services by the Company and its Subsidiaries for Mortgage Loans originated by third parties;

(k) that relates to the servicing of Mortgage Loans by the Company and its Subsidiaries for third party institutional investors and securitization structures and in respect of which the Company received payments in excess of $4,000,000 for the fiscal year ended December 31, 2024 or that are expected to exceed such amount over the next twelve (12) months;

(l) that relates to the placement of Mortgage Loans by the Company and its Subsidiaries with third party institutional investors or other third parties in excess of $200,000,000 for the fiscal year ended December 31, 2024 or that are expected to exceed such amount over the next twelve (12) months;

(m) that is with a mortgage broker or brokerage (or a group of affiliated mortgage brokers or brokerages) pursuant to which the annual mortgage loan originations exceed, in the aggregate, $150,000,000 for the fiscal year ended December 31, 2024 or that are expected to exceed such amount over the next twelve (12) months;

(n) that is a Contract related to any asset-backed commercial paper conduit, residential mortgage backed securities, commercial mortgage backed securities or similar funding arrangements;

(o) that is a Master Mortgage Loan Default Policy;

(p) that is a CMHC Program Agreement;

(q) under which the Company or any of its Subsidiaries is obligated to make or expects to receive payments in excess of $3,000,000 over the next twelve (12) months;

(r) providing for the purchase, sale or exchange of, or option to purchase, sell or exchange, any property or asset where the purchase or sale price or agreed value or fair market value of such property or asset exceeds $1,000,000, other than Mortgage Loans and securitization transactions entered into in the Ordinary Course and in connection with the Company’s whole loan repurchase or total return swap warehouse facilities;

(s) that contains express exclusivity, right of first offer or refusal or non-solicitation obligations of the Company or any of its Subsidiaries or grants "most favoured nation" or similar rights that impose material restrictions on the Company and its Subsidiaries;

(t) that expressly limits or restricts (i) the ability of the Company or any Subsidiary to engage in any line of business or carry on business in any geographic area, or (ii) the scope of Persons to whom the Company or any of its Subsidiaries may sell products or services;

(u) that is a Collective Agreement;

(v) that is with any Governmental Entity;

(w) that is an employment or consulting agreement or arrangement with any individual Company Employee or other service provider of the Company or a person holding an equivalent position with any Subsidiary of the Company that provides for total compensation or total anticipated compensation in excess of $420,000 per year;

(x) that provides for severance, notice, termination, retention or change in control payments in excess of $1,000,000 to a Company Employee, director or other service provider of the Company or a Person holding an equivalent position with any Subsidiary of the Company;

(y) pursuant to which the Company or any of its Subsidiaries grants or receives Intellectual Property rights that are material to the conduct of its business as presently conducted, other than (i) Incidental Licenses and Publicly Available Software licenses granted to the Company or its Subsidiaries, or (ii) by the Company or its Subsidiaries in the Ordinary Course to customers for their use of the products and services of the Company or its Subsidiaries, including non-disclosure agreements;

(z) that is disclosed or required to be disclosed in section 16 of the Company Disclosure Letter in accordance with clause (b) of paragraph (16) (Related Party Transactions) of Schedule C to the Arrangement Agreement; or

(aa) involving the settlement of any lawsuit in excess of $1,000,000 with respect to which (i) there is any unpaid amount owing by the Company or any of its Subsidiaries or (ii) material conditions precedent to the settlement thereof have not been satisfied.

"**Maximum Guarantor Amount**" has the meaning ascribed thereto under "*The Arrangement – Sources of Funds for the Arrangement – Limited Guarantees*".

"**Meeting**" has the meaning ascribed thereto under the heading "*Management Information Circular – Solicitation of Proxies*".

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**Minority Approval**" has the meaning ascribed thereto under "*Summary – Required Shareholder Approvals*".

"**Mortgage Loans**" means a mortgage, charge or hypothec on real or immovable property, including all obligations secured thereby, all monies payable under or with respect to such mortgage, charge or hypothec (including on account of the loan advanced or to be advanced thereunder) and all other rights and benefits of the mortgage, charge or hypothec and under any and all documents, instruments and agreements between the mortgagor and the mortgagee, as those documents, instruments and agreements may be amended, modified or supplemented from time to time.

"**National Housing Act**" means the National Housing Act (Canada).

"**No Action Letter**" has the meaning ascribed thereto under the heading "*The Arrangement – Certain Legal Matters – Competition Act Approval*".

"**Non-Resident Dissenting Holder**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Non-Resident Dissenting Holders*".

"**Non-Resident Holder**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*".

"**Notifiable Transaction**" has the meaning ascribed thereto under the heading "*The Arrangement – Certain Legal Matters – Competition Act Approval*".

"**Notification**" has the meaning ascribed thereto under the heading "*The Arrangement – Certain Legal Matters – Competition Act Approval*".

"**OBCA**" means the Business Corporations Act (Ontario).

"**Offer to Pay**" has the meaning ascribed thereto under "*Dissenting Shareholders' Rights*".

"**Ordinary Course**" means, with respect to an action taken by the Company or its Subsidiaries, that such action is, in all material respects, consistent with the past practices of the Company and its Subsidiaries and is taken in the ordinary course of the normal day-to-day operations of the business of the Company and its Subsidiaries.

"**Outside Date**" means April 27, 2026, or such later date as may be agreed to in writing by the Parties, provided, however, that either Party shall have the right to extend the Outside Date for up to an additional ninety (90) days in the aggregate if the Competition Act Approval has not been obtained and has not been denied by a non-appealable decision of a Governmental Entity, by giving written notice to the other Party to such effect no later than 4:30 p.m. on the date that is not less than two (2) days prior to the original Outside Date (and any subsequent Outside Date), provided that notwithstanding the foregoing, a Party shall not be permitted to extend the Outside Date if the

failure to obtain the Competition Act Approval is primarily the result of such Party's failure to comply with its covenants herein.

"**Parties**" means, together, the Company and the Purchaser, and "**Party**" means any one of them.

"**Party X**" has the meaning ascribed thereto under the heading "*The Arrangement – Background to the Arrangement*".

"**Permitted Dividends**" means (i) in respect of Common Shares, regular monthly dividends in an amount not to exceed $0.208334 in cash per Common Share per month, and (ii) in respect of Preferred Shares, cash dividends in accordance with the terms of the Preferred Shares, in each case, as declared by the Board and paid in a manner consistent with current practice (including with respect to timing) of the Company.

"**Permitted Liens**" means, as of any particular time and in respect of any Person, each of the following Liens:

(a) Liens for Taxes which are not delinquent or that are being contested in good faith and that have been adequately reserved on the Company's financial statements;

(b) inchoate or statutory Liens of contractors, subcontractors, mechanics, materialmen, carriers, workmen, suppliers, warehousemen, repairmen and others in respect of the construction, maintenance, repair or operation of the Company or its assets, provided such Liens are related to obligations not due or delinquent, are not registered against title to any of the Company's assets and in respect of which adequate holdbacks are being maintained as required by applicable Law, provided the same are not registered against title to the Leased Real Property;

(c) Liens arising under or in connection with zoning, building codes and other land use Laws regarding the use or occupancy of the Leased Real Property or the activities conducted thereon which are imposed by any Governmental Entity;

(d) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, license, franchise, grant, Authorization or permit of the Company or any of its Subsidiaries, to terminate any such lease, license, franchise, grant, Authorization or permit, or to require annual or other payments as a condition of their continuance;

(e) easements, rights-of-way, encroachments, restrictions, covenants, conditions and other similar matters that, individually or in the aggregate, do not materially and adversely impact the Company's and its Subsidiaries' current or contemplated use, occupancy, utility or value of the Leased Real Property;

(f) Liens granted under, or permitted by, the Company Credit Facility, excluding any Liens securing Subordinated Debt (as defined in the Company Credit Facility); and

(g) publicly registered Liens as of June 16, 2025.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including a Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Phase II Proposals**" has the meaning ascribed thereto under the heading "*The Arrangement – Background to the Arrangement*".

"**Plan of Arrangement**" means the plan of arrangement, substantially in the form set forth in Appendix "B" to this Circular, subject to any amendments or variations to such plan made in accordance with the Arrangement Agreement and the Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Preferred Shares**" means, collectively, the Series 1 Preferred Shares and the Series 2 Preferred Shares.

"**Presentation Date**" has the meaning ascribed thereto under "*The Arrangement – Certain Legal Matters – Court Approvals – Final Order*".

"**Proposed Amendments**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations*".

"**Publicly Available Software**" means (a) any Software that contains, or is derived in any manner (in whole or in part) from, any Software that is distributed as "free software" or "open source software" (e.g. Linux), or pursuant to "open source," "copyleft" or similar licensing and distribution models; and (b) any Software that requires as a condition of use, modification, and/or distribution of such Software that such Software or other Software incorporated into, derived from, or distributed with such Software (i) be disclosed or distributed in source code form; (ii) be licensed for the purpose of making derivative works; or (iii) be redistributable at no or minimal charge. Publicly Available Software includes Software licensed or distributed pursuant to any of the following licenses or distribution models similar to any of the following: (A) GNU General Public License (GPL) or Lesser/Library GPL (LGPL), (B) the Artistic License (e.g. PERL), (C) the Mozilla Public License, (D) BSD licenses, (E) the Netscape Public License, (F) the Sun Community Source License (SCSL), the Sun Industry Source License (SISL), and (G) the Apache Software License.

"**Purchaser**" means Regal Bidco Inc., a corporation existing under the laws of the Province of Ontario.

"**Purchaser Related Parties**" has the meaning ascribed thereto under "*The Arrangement Agreement – Termination of the Arrangement Agreement – Termination Fees and Expenses*".

"**Purchaser Shares**" means common shares in the capital of the Purchaser.

"**Rated Matters**" has the meaning ascribed thereto under "*The Arrangement Agreement – Covenants – Ratings*".

"**RBC**" means RBC Dominion Securities Inc.

"**Record Date**" means August 21, 2025.

"**Regal GP**" means Regal GP Inc., a corporation existing under the Laws of the Province of Ontario.

"**Regal Holdings LP**" means Regal Holdings LP, a limited partnership existing under the Laws of the Province of Ontario, with a registered office located at 16 York Street, Suite 1900, Toronto, Ontario, M5J 0E6. Regal Holdings LP is a newly-formed vehicle created by the Rollover Shareholders and will be the holder of the Rollover Shares prior to the Effective Time.

"**Regal Holdings LP Rollover Consideration**" has the meaning ascribed thereto under "*The Arrangement – Implementation of the Arrangement*".

"**Regal Topco**" means Regal Topco Inc., a corporation existing under the Laws of the Province of Ontario, with a registered office located at 155 Wellington Street West, Toronto, Ontario, M5V 3J7. Regal Topco is a newly-formed acquisition vehicle directly controlled by private equity funds managed by Birch Hill and private equity funds managed by Brookfield. The Purchaser is a direct wholly-owned subsidiary of Regal Topco.

"**Regal Topco Rollover Consideration**" has the meaning ascribed thereto under "*The Arrangement – Implementation of the Arrangement*".

"**Regal Topco Shares**" means common shares in the capital of Regal Topco.

"**Registered Intellectual Property**" means all Company Owned Intellectual Property which is subject to any issuance, registration or pending application by or with any Governmental Entity or authorized private registrar.

"**Registered Shareholders**" has the meaning ascribed thereto under the heading "*Information Concerning the Meeting and Voting – Registered Shareholders*".

"**Regulatory Approvals**" means any consent, waiver, permit, exemption, review, order, decision or approval of, or any registration and filing with, any Governmental Entity, or the expiry, waiver or termination of any waiting period imposed by Law or a Governmental Entity, in each case in connection with the Arrangement, and includes the Competition Act Approval.

"**Related Party Transaction**" means any Contract, transaction or other arrangement of the type described in paragraph (16) of Schedule C to the Arrangement Agreement.

"**Representatives**" means, with respect to any Person, any directors, officers, employees or advisors (including, without limitation, attorneys, accountants, consultants and financial advisors), agents and any other representatives of such Person or any of its Subsidiaries.

"**Resident Dissenting Holder**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Resident Dissenting Holders*".

"**Resident Holder**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*".

"**Reverse Termination Fee**" has the meaning ascribed thereto under "*The Arrangement Agreement – Termination of the Arrangement Agreement – Termination Fees and Expenses*".

"**Reverse Termination Fee Event**" has the meaning ascribed thereto under "*The Arrangement Agreement – Termination of the Arrangement Agreement – Termination Fees and Expenses*".

"**Review Process**" has the meaning ascribed thereto under "*The Arrangement – Background to the Arrangement*".

"**Revised Purchaser Proposal**" has the meaning ascribed thereto under the heading "*The Arrangement – Background to the Arrangement*".

"**Rollover Agreements**" means, collectively, the rollover agreements entered into among (a) Stephen Smith, Smith Financial Corporation, Regal Holdings LP, Regal GP, Regal Topco and the Purchaser and (b) Moray Tawse, 801420 Ontario Limited, Regal Holdings LP, Regal GP, Regal Topco and the Purchaser, in each case, providing for, among other things, an exchange of all of the Rollover Shares held by the applicable Rollover Shareholder in accordance with the terms thereof.

"**Rollover Consideration**" means, as applicable, the Regal Holdings LP Rollover Consideration and the Regal Topco Rollover Consideration.

"**Rollover Shareholders**" means those Shareholders (being the Founders and certain of their affiliates) that will be contributing a portion of their Common Shares to Regal Holdings LP pursuant to a Rollover Agreement.

"**Rollover Shares**" means 14,080,000 Shares that are beneficially owned or controlled by the Rollover Shareholders and that are to be contributed to Regal Holdings LP pursuant to a Rollover Agreement.

"**Securities Act**" means the *Securities Act* (Ontario) and the rules, regulations and published policies made thereunder.

"**Securities Authority**" means the Ontario Securities Commission and any other applicable securities commissions or securities regulatory authority of a province or territory of Canada.

"**Securities Laws**" means the *Securities Act* (Ontario) and any other applicable Canadian provincial and territorial securities Laws, rules and regulations and published policies thereunder.

"**SEDAR+**" means the System for Electronic Document Analysis and Retrieval+ as located at www.sedarplus.ca.

"**Series 1 Conversion Date**" has the meaning ascribed thereto under "*Information Concerning First National – Description of Share Capital – Class A Preference Shares, Series 1*".

"**Series 1 Preferred Shares**" means the Class A Preference Shares, Series 1 in the capital of the Company.

"**Series 2 Conversion Date**" has the meaning ascribed thereto under "*Information Concerning First National – Description of Share Capital – Class A Preference Shares, Series 2*".

"**Series 2 Preferred Shares**" means the Class A Preference Shares, Series 2 in the capital of the Company.

"**Series 3 Notes**" has the meaning ascribed thereto under "*The Arrangement – Treatment of the Company Notes*".

"**Series 4 Notes**" has the meaning ascribed thereto under "*The Arrangement – Treatment of the Company Notes*".

"**Series 5 Notes**" has the meaning ascribed thereto under "*The Arrangement – Treatment of the Company Notes*".

"**Shareholders**" means the registered and/or beneficial holders of Common Shares, as the context requires.

"**Software**" means (i) software, firmware, middleware, and computer programs, including any and all software implementations of algorithms, models and methodologies, whether in source code, object code, executable or binary code, (ii) databases, compilations and any other electronic files, including any and all collections of data, whether machine readable or otherwise, (iii) descriptions, flow-charts, technical and functional specifications, and other work product used to design, plan, organize, develop, test, troubleshoot and maintain any of the foregoing screens, user interfaces, report formats, firmware, development tools, templates, menus, buttons and icons, (iv) websites, and (v) all documentation and other materials, including user manuals and other training documentation related to any of the foregoing.

"**Special Committee**" has the meaning ascribed thereto under "*The Arrangement – Recommendation of the Special Committee*".

"**Specified Exemptions**" has the meaning ascribed thereto under "*The Arrangement Agreement – Covenants – Conduct of Business of First National*".

"**Sponsors**" means Birch Hill Equity Partners VI, LP, Birch Hill Equity Partners (Entrepreneurs) VI, LP, Birch Hill Equity Partners (Global) VI, LP, BH Regal Co-Invest LP and Brookfield Capital Partners VI L.P.

"**Subsidiary**" means a Person that is controlled directly or indirectly by another Person and includes a Subsidiary of that Subsidiary. A Person is considered to "control" another Person if: (a) the first Person beneficially owns or directly or indirectly exercises control or direction over securities of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors, or similar supervisory body, of the second Person, unless that first Person holds the voting securities only to secure an obligation, or (b) the second Person is a partnership, other than a limited partnership, and the first Person holds more than 50% of the

interests of the partnership, or (c) the second Person is a limited partnership, and the general partner of the limited partnership is the first Person, or (d) the second Person is a trust and the first Person is entitled to elect or designate a majority of the trustees of the trust, whether by contract, by ownership or control or direction of securities or otherwise.

"**Superior Proposal**" means any *bona fide* written Acquisition Proposal from a Person or group of Persons, other than the Purchaser or one or more of its affiliates or any Person acting jointly or in concert with the Purchaser in respect of such Acquisition Proposal, made after the date of the Arrangement Agreement to directly or indirectly acquire not less than all of the outstanding Common Shares (other than any Common Shares held by the Persons or group of Persons making such Acquisition Proposal and provided that any Common Shares subject to a rollover or similar arrangement will be considered acquired for this purpose) or all or substantially all of the assets of the Company on a consolidated basis by means of an acquisition, take-over bid, amalgamation, plan of arrangement, business combination, consolidation, recapitalization, liquidation, winding-up or other transaction: (i) that complies in all respects with Securities Laws and did not result from any non-*de minimis* breach of article 5 of the Arrangement Agreement (being the non-solicitation covenant of the Company); (ii) that is not subject to any financing condition; (iii) in respect of which it has been demonstrated to the satisfaction of the Board, acting in good faith after consultation with its financial advisor(s) and external legal counsel, that adequate arrangements have been made in respect of any financing required to complete such Acquisition Proposal; (iv) that is not subject to any due diligence or access condition; (v) that the Board determines, in its good faith judgment, after receiving the advice of its financial advisor(s) and external legal counsel, is reasonably capable of being completed, without undue delay, taking into account all financial, legal, regulatory and other aspects of such Acquisition Proposal and the Person or group of Persons making such Acquisition Proposal and their respective affiliates; and (vi) that the Board determines, in its good faith judgment, after consulting with the Rollover Shareholders in accordance with section 5.3(2) of the Arrangement Agreement (as described in the Circular under the heading "*Responding to an Acquisition Proposal*") and receiving the advice of its financial advisor(s) and external legal counsel, would, if consummated in accordance with its terms but without assuming away the risk of non-completion, result in a transaction which is more favourable, from a financial point of view, to Shareholders (other than the Rollover Shareholders) than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser pursuant to section 5.4(2) of the Arrangement Agreement (as described in the Circular under the heading "*Right to Match*")).

"**Superior Proposal Notice**" has the meaning ascribed thereto under "*The Arrangement Agreement – Covenants – Right to Match*".

"**Supplementary Information Request**" has the meaning ascribed thereto under the heading "*The Arrangement – Certain Legal Matters – Competition Act Approval*".

"**Supporting D&Os**" has the meaning ascribed thereto under "*The Arrangement Agreement – Voting Agreements – Directors and Executive Officers*".

"**Supporting Shareholders**" means, collectively, the Founders and the Supporting D&Os, as listed in Schedule E to the Arrangement Agreement.

"**Tax**" or "**Taxes**" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, capital, capital stock, recapture, transfer, land transfer, license, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, withholding, business, franchising, real or personal property, employee health, payroll, workers' compensation, employment or unemployment, severance, surtaxes, customs, import or export, dividends, share buyback and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

"**Tax Act**" means the *Income Tax Act* (Canada) and the regulations promulgated thereunder, as amended.

"**taxable capital gain**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Capital Gains and Capital Losses*".

"**Termination Fee**" has the meaning ascribed thereto under "*The Arrangement Agreement – Termination of the Arrangement Agreement – Termination Fees and Expenses*".

"**Termination Fee Event**" has the meaning ascribed thereto under "*The Arrangement Agreement – Termination of the Arrangement Agreement – Termination Fees and Expenses*".

"**third party proxyholder**" has the meaning ascribed thereto under "*Information Concerning the Meeting and Voting – Virtual Attendance and Participation in the Meeting – Appointing a Third Party as Proxy*".

"**Torys**" means Torys LLP.

"**Transfer**" has the meaning ascribed thereto under "*The Arrangement Agreement – Voting Agreements – Founder Voting Agreements*".

"**TSX**" means the Toronto Stock Exchange.

"**Unconflicted Company Board**" means the Board excluding the Conflicted Directors.

"**Union**" means an organization of employees formed for purposes that include the regulation of relations between employees and employers and includes provincial, state, territorial, national or international unions, a certified council of unions, trade unions, labour unions, a designated or certified employee bargaining agency and any organization which has been declared a union pursuant to applicable labour relations legislation or which may qualify as a union.

"**Voting Agreements**" means, collectively, the voting agreements dated July 27, 2025 entered into between the Purchaser and each of the Supporting Shareholders substantially in the forms of Part 1 (in the case of the Rollover Shareholders) and Part 2 (in the case of the other Supporting Shareholders) of Schedule F to the Arrangement Agreement.

"**wilful breach**" means a material breach of the Arrangement Agreement that is a consequence of any act or omission by the breaching Party with the actual knowledge that the taking of such act or omission would, or would be reasonably expected to, cause a material breach of the Arrangement Agreement.

CONSENT OF BMO NESBITT BURNS INC.

We refer to the formal valuation and fairness opinion (the "**Formal Valuation and Fairness Opinion**") of our firm dated July 27, 2025 attached as Appendix "E" to the management proxy circular dated August 27, 2025 (the "**Circular**") of First National Financial Corporation (the "**Company**"), which we prepared for the exclusive benefit and use of the special committee of the board of directors of the Company (the "**Board**") comprised solely of independent directors of the Company, being Robert Mitchell, Martine Irman and Duncan N.R. Jackman (the "**Special Committee**"), and the Board in connection with their consideration of the Arrangement (as defined in the Circular).

In connection with the Arrangement, we hereby consent to the inclusion of the Formal Valuation and Fairness Opinion as Appendix "E" to the Circular, to the filing of the Formal Valuation and Fairness Opinion with the securities regulatory authorities in each of the provinces of Canada and to the inclusion of a summary of the Formal Valuation and Fairness Opinion, and the reference thereto, in the Circular. In providing such consent, we do not intend that any person other than the Special Committee and the Unconflicted Company Board shall be entitled to rely upon the Formal Valuation and Fairness Opinion. The Formal Valuation and Fairness Opinion was delivered as at July 27, 2025 and remains based upon and subject to the scope of review, and subject to the analyses, assumptions, limitations, qualifications and other matters described therein.

(Signed) "BMO Nesbitt Burns Inc."

Toronto, Ontario

August 27, 2025

APPENDIX "A"

ARRANGEMENT RESOLUTION

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. The arrangement (the "**Arrangement**") under section 182 of the *Business Corporations Act* (Ontario) (the "**OBCA**") involving First National Financial Corporation (the "**Company**"), pursuant to the arrangement agreement (the "**Arrangement Agreement**") between the Company and Regal Bidco Inc. dated July 27, 2025, all as more particularly described and set forth in the management information circular of the Company dated August 27, 2025 (the "**Circular**"), accompanying the notice of this meeting (as the Arrangement may be modified or amended in accordance with the Arrangement Agreement and its terms) and all transactions contemplated thereby are hereby authorized, approved and adopted.

2. The plan of arrangement of the Company in respect of the Arrangement (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement and its terms (the "**Plan of Arrangement**")), the full text of which is set out in Appendix "B" to the Circular, is hereby authorized, approved and adopted.

3. The (i) Arrangement Agreement and related transactions, (ii) actions of the directors of the Company in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Company in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.

4. The Company be and is hereby authorized to apply for a final order from the Ontario Superior Court of Justice (Commercial List) (the "**Court**") to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be amended, modified or supplemented).

5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the shareholders of the Company or that the Arrangement has been approved by the Court, the directors of the Company are hereby authorized and empowered to, at their discretion, without notice to or approval of the shareholders of the Company: (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by their terms; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and related transactions.

6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute and deliver for filing with the Director under the OBCA articles of arrangement and such other documents as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement and any such other documents.

7. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered all such other documents and instruments and to perform or cause to be performed all such other acts and things as such person determines may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document or instrument or the doing of any such act or thing.

APPENDIX "B"

PLAN OF ARRANGEMENT

(*See attached.*)

PLAN OF ARRANGEMENT UNDER SECTION 182
OF THE *BUSINESS CORPORATIONS ACT* (ONTARIO)

ARTICLE 1
INTERPRETATION

1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

"**Arrangement**" means the arrangement under section 182 of the OBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of the Arrangement Agreement and Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement made as of July 27, 2025 between the Company and the Purchaser (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered at the Company Meeting by Shareholders.

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement required by the OBCA to be sent to the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

"**Business Day**" means any day of the year, other than a Saturday, Sunday or any day on which major banks are closed for business in Toronto, Ontario.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director pursuant to subsection 183(2) of the OBCA in respect of the Articles of Arrangement.

"**Company**" means First National Financial Corporation, a corporation existing under the Laws of the Province of Ontario.

"**Company Circular**" means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement.

"**Company Meeting**" means the special meeting of Shareholders, including any adjournment or postponement thereof in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and for any other purpose as may be set out in the Company Circular and agreed to in writing by the Purchaser.

"**Company Note Consideration**" means a payment in cash of the amount that each holder of Company Notes outstanding on the Effective Date would be entitled to receive upon the redemption of its Company Notes on the Effective Date in accordance with the Company Notes Indenture.

"**Company Noteholders**" means the holders of the Company Notes.

"**Company Notes**" means, collectively, the following senior unsecured notes issued by the Company: (a) the 2.961% debentures due November 17, 2025, of which as of the date of the Arrangement Agreement there is $200,000,000 aggregate principal amount outstanding, (b) the 7.293% debentures due September 8, 2026, of which as of the date of the Arrangement Agreement there is $200,000,000 aggregate principal amount outstanding, and (c) the 6.261% debentures due November 1, 2027, of which as of the date of the Arrangement Agreement there is $200,000,000 aggregate principal amount outstanding.

"**Company Notes Indenture**" means the trust indenture dated April 9, 2015 between the Company and the Indenture Trustee, as amended and supplemented by a first supplemental indenture dated November 25, 2019, a second supplemental indenture dated November 16, 2020, a third supplemental indenture dated September 6, 2023 and a fourth supplemental indenture dated April 1, 2024.

"**Company Securityholders**" means, collectively, the Shareholders and the Company Noteholders.

"**Consideration**" means the consideration to be received by the Shareholders (other than (a) the Rollover Shareholders and Regal Holdings LP in respect of the Rollover Shares and (b) Dissenting Holders) pursuant to this Plan of Arrangement, being $48.00 in cash per Share, without interest, as may be adjusted in accordance with Section 2.4.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**Depositary**" means Computershare Investor Services Inc. or such other Person as the Company may appoint to act as depositary in relation to the Arrangement, with the approval of the Purchaser, acting reasonably.

"**Director**" means the Director appointed pursuant to section 278 of the OBCA.

"**Dissent Rights**" has the meaning specified in Section 3.1.

"**Dissenting Holder**" means a registered Shareholder who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Shares in respect of which Dissent Rights are validly exercised by such registered Shareholder.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 8:01 a.m. on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

"**Governmental Entity**" means (a) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, commissioner, board, bureau, minister, ministry, governor in council, cabinet, agency or instrumentality, domestic or foreign, (b) any subdivision or authority of any of the above, (c) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, (d) any Securities Authority or stock exchange, including the TSX, or (e) the CMHC.

"**Indenture Trustee**" means the Trustee appointed in accordance with the Company Notes Indenture.

"**Interim Order**" means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

"**Law**" means, with respect to any Person, any and all applicable law (statutory, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling, decision or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and, to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

"**Letter of Transmittal**" means the letter of transmittal sent to registered holders of Shares for use in connection with the Arrangement.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachment, option, right of first refusal or first offer, occupancy right, covenant, assignment, defect of title, restriction or adverse right or claim, lien (statutory or otherwise) or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.

"**OBCA**" means the *Business Corporations Act* (Ontario).

"**Parties**" means, together, the Company and the Purchaser and "**Party**" means any one of them.

"**Permitted Dividends**" means (a) in respect of Shares, regular monthly dividends in an amount not to exceed $0.208334 in cash per Share per month, and (b) in respect of Preferred Shares, cash dividends in accordance with the terms of the Preferred Shares, in each case, as declared by the Board and paid in a manner consistent with current practice (including with respect to timing) of the Company.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including a Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means this plan of arrangement proposed under section 182 of the OBCA, and any amendments or variations made in accordance with the Arrangement Agreement and Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Preferred Shares**" means the Class A Preference Shares in the capital of the Company, including the Series 1 Preferred Shares and the Series 2 Preferred Shares.

"**Purchaser**" means Regal Bidco Inc., a corporation existing under the Laws of the Province of Ontario.

"**Purchaser Shares**" means common shares in the capital of the Purchaser.

"**Regal GP**" means Regal GP Inc., a corporation existing under the Laws of the Province of Ontario.

"**Regal Holdings LP**" means Regal Holdings LP, a limited partnership existing under the Laws of the Province of Ontario.

"**Regal Holdings LP Rollover Consideration**" has the meaning specified in Section 2.3(a).

"**Regal Topco**" means Regal Topco Inc., a corporation existing under the Laws of the Province of Ontario.

"**Regal Topco Rollover Consideration**" has the meaning specified in Section 2.3(b).

"**Regal Topco Shares**" means common shares in the capital of Regal Topco.

"**Rollover Agreements**" means, collectively, the rollover agreements entered into among (a) Stephen Smith, Smith Financial Corporation, Regal Holdings LP, Regal GP, Regal Topco and the Purchaser and (b) Moray Tawse, 801420 Ontario Limited, Regal Holdings LP, Regal GP, Regal Topco and the Purchaser, in each case, providing for, among other things, an exchange of all of the Rollover Shares held by the applicable Rollover Shareholder in accordance with the terms thereof.

"**Rollover Consideration**" means, as applicable, the Regal Holdings LP Rollover Consideration and the Regal Topco Rollover Consideration.

"**Rollover Shareholders**" means those Shareholders that will be contributing a portion of their Shares to Regal Holdings LP pursuant to a Rollover Agreement.

"**Rollover Shares**" means 14,080,000 Shares that are beneficially owned by Regal Holdings LP following contributions by the Rollover Shareholders pursuant to the Rollover Agreements (or such other number of Shares as may be agreed in writing by the Company and the Purchaser prior to the Effective Time).

"**Series 1 Preferred Shares**" means the Class A Preference Shares, Series 1 in the capital of the Company.

"**Series 2 Preferred Shares**" means the Class A Preference Shares, Series 2 in the capital of the Company.

"**Shareholders**" means the registered and/or beneficial holders of Shares, as the context requires.

"**Shares**" means the common shares in the capital of the Company.

"**Tax Act**" means the *Income Tax Act* (Canada).

1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

(1) **Headings, etc**. The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.

(2) **Currency**. All references to dollars or to $ are references to Canadian dollars, unless specified otherwise.

(3) **Gender and Number**. Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(4) **Persons**. References to any Person includes the successors and permitted assigns of such Person.

(5) **Certain Phrases, etc**. The words (a) "including", "includes" and "include" mean "including (or includes or include) without limitation," (b) "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of," (c) "writing", "written" and comparable terms refer to printing, typing and other means of reproducing words (including electronic media) in a visible form, and (d) unless stated otherwise, "Article", "Section", and "Schedule" followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Plan of Arrangement.

(6) **Statutes**. Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(7) **Computation of Time**. A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

(8) **Time References**. References to time herein or in any Letter of Transmittal are to local time, Toronto, Ontario.

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective, and be binding on the Purchaser, Regal Topco, the Company, all holders and beneficial owners of Shares, all Company Noteholders, the Indenture Trustee, the register and transfer agent of the Company, the Depositary and all other Persons, at and after the Effective Time without any further act or formality required on the part of any Person.

2.3 Arrangement

At the Effective Time, each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at two-minute intervals starting at the Effective Time:

(a) each Rollover Share held by Regal Holdings LP immediately prior to the Effective Time shall, without any further action by or on behalf of Regal Holdings LP, be assigned and transferred by Regal Holdings LP to Regal Topco in exchange for consideration consisting of one (1) Regal Topco Share (the "**Regal Holdings LP Rollover Consideration**"), and:

(i) Regal Holdings LP shall cease to be the holder of such Rollover Shares and to have any rights as a holder of such Rollover Shares other than the right to receive the Regal Holdings LP Rollover Consideration in accordance with this Plan of Arrangement;

(ii) Regal Holdings LP shall be removed from the register of the Shares maintained by or on behalf of the Company; and

(iii) Regal Topco shall be the transferee of such Rollover Shares (free and clear of all Liens) and shall be entered in the register of the Shares maintained by or on behalf of the Company;

(b) each Rollover Share held by Regal Topco shall, without any further action by or on behalf of Regal Topco, be assigned and transferred by Regal Topco to the Purchaser in exchange for consideration consisting of one (1) Purchaser Share (the "**Regal Topco Rollover Consideration**"), and:

(i) Regal Topco shall cease to be the holder of such Rollover Shares and to have any rights as a holder of such Rollover Shares other than the right to receive the Regal Topco Rollover Consideration in accordance with this Plan of Arrangement;

(ii) Regal Topco shall be removed from the register of the Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be the transferee of such Rollover Shares (free and clear of all Liens) and shall be entered in the register of the Shares maintained by or on behalf of the Company;

(c) each Company Note outstanding immediately prior to the Effective Time shall, notwithstanding the terms of the Company Notes Indenture, and without any further action by or on behalf of a holder of Company Notes, be redeemed by the Company in exchange for the Company Note Consideration, and:

(i) the holders of such Company Notes shall cease to be the holders of such Company Notes and to have any rights as holders of such Company Notes other than the right to be paid the Company Note Consideration by the Company in accordance with this Plan of Arrangement;

(ii) such holders' names shall be removed from the register of the Company Notes maintained by or on behalf of the Company and the Indenture Trustee; and

(iii) such Company Notes shall be cancelled and cease to be outstanding;

(d) each of the Shares held by Dissenting Holders in respect of which Dissent Rights have been validly exercised shall be assigned and transferred without any further act or formality to the Purchaser in consideration for a debt claim against the Purchaser for the amount determined under Article 3, and:

(i) such Dissenting Holders shall cease to be the holders of such Shares and to have any rights as holders of such Shares other than the right to be paid fair value by the Purchaser for such Shares as set out in Section 3.1;

(ii) such Dissenting Holders' names shall be removed as the holders of such Shares from the register of Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be the transferee of such Shares free and clear of all Liens, and shall be entered in the register of Shares maintained by or on behalf of the Company; and

(e) concurrently with the step in Section 2.3(d), each Share outstanding immediately prior to the Effective Time, other than Shares assigned and transferred to the Purchaser pursuant to Section 2.3(b) and Section 2.3(d), shall, without any further action by or on behalf of a holder of Shares, be assigned and transferred by the holder thereof to the Purchaser in exchange for the Consideration, and:

(i) the holders of such Shares shall cease to be the holders of such Shares and to have any rights as holders of such Shares other than the right to be paid the Consideration by the Purchaser in accordance with this Plan of Arrangement;

(ii) such holders' names shall be removed from the register of the Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be the transferee of such Shares (free and clear of all Liens) and shall be entered in the register of the Shares maintained by or on behalf of the Company.

2.4 Adjustment to Consideration

If, on or after the date of the Arrangement Agreement, the Company sets a record date for any dividend or other distribution on the Shares (other than Permitted Dividends) that is at or prior to the Effective Time, then: (i) to the extent that the amount of such dividends or distributions per Share does not exceed the Consideration, the Consideration shall be reduced by the amount of such dividends or distributions on a dollar-for-dollar basis; and (ii) to the extent that the amount of such dividends or distributions per Share exceeds the Consideration, such excess amount shall be placed in escrow for the account of the Purchaser or another Person designated by the Purchaser; provided that nothing in this Section 2.4 shall, or shall be construed to, permit the Company to take any action that is restricted by the Arrangement Agreement.

ARTICLE 3
RIGHTS OF DISSENT

3.1 Rights of Dissent

Registered Shareholders may exercise dissent rights with respect to the Shares held by such holders ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in section 185 of the OBCA, as modified by the Interim Order, the Final Order and Article 3; provided that, notwithstanding subsection 185(6) of the OBCA, the written objection to the

Arrangement Resolution referred to in subsection 185(6) of the OBCA must be received by the Company not later than 5:00 p.m. (Toronto time) two (2) Business Days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time). Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Shares held by them and in respect of which Dissent Rights have been validly exercised to the Purchaser free and clear of all Liens, as provided in Section 2.3(d) and if they:

(a) ultimately are entitled to be paid fair value for such Shares: (i) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.3(d)); (ii) will be entitled to be paid the fair value of such Shares, which fair value, notwithstanding anything to the contrary contained in Part XIV of the OBCA, shall be determined as of the close of business on the day before the Arrangement Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Shares; or

(b) ultimately are not entitled, for any reason, to be paid fair value for such Shares, shall be deemed to have participated in the Arrangement in respect of those Shares, as of the Effective Time, on the same basis as a holder of Shares (other than Rollover Shares) that is not a Dissenting Holder.

3.2 Recognition of Dissenting Holders

(a) In no circumstances shall the Purchaser or the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Shares in respect of which such rights are sought to be exercised.

(b) For greater certainty, in no case shall the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 2.3(d), and the names of such Dissenting Holders shall be removed from the registers of holders of the Shares in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 2.3(d) occurs.

(c) In addition to any other restrictions under section 185 of the OBCA and the Interim Order, none of the following shall be entitled to exercise Dissent Rights: (i) Company Noteholders (each in their capacity as a Company Noteholder); (ii) Shareholders who vote or have instructed a proxyholder to vote such Shares in favour of the Arrangement Resolution (but only in respect of such Shares); and (iii) the Rollover Shareholders and Regal Holdings LP.

ARTICLE 4
CERTIFICATES AND PAYMENTS

4.1 Payment of Consideration

(a) Prior to the filing of the Articles of Arrangement with the Director pursuant to Section 2.8(2) of the Arrangement Agreement, the Purchaser shall:

(i) pursuant to a direction from the Company, provide the Depositary with sufficient funds to be held in escrow (the terms and conditions of such escrow to be satisfactory to the Company and the Purchaser, each acting reasonably) to satisfy the aggregate Company Note Consideration payable to Company Noteholders under Section 2.3(c); and

(ii) provide the Depositary with sufficient funds to be held in escrow (the terms and conditions of such escrow to be satisfactory to the Company and the Purchaser, each acting reasonably) to satisfy the aggregate Consideration payable to Shareholders under Section 2.3(e).

(b) The Depositary shall deliver the Company Note Consideration in respect of those Company Notes which are represented by a Global Note (as such term is defined in the Company Notes Indenture) to the Depository (as such term is defined in the Company Notes Indenture), in accordance with normal industry practice for payments relating to securities held on a book-entry only basis. Company Noteholders whose interest in the applicable Company Notes is not represented by a Global Note shall, upon surrender to the Depositary for cancellation of a certificate or certificates which, immediately prior to the Effective Time, represented outstanding Company Notes that were redeemed pursuant to Section 2.3(c) hereof, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the holders of such Company Notes represented by such surrendered certificate(s) shall be entitled to receive, and the Depositary shall deliver (and the Purchaser shall cause the Depositary to deliver) to such holder, a cheque (or other form of immediately available funds) representing the Company Note Consideration that such Company Noteholder has the right to receive under this Plan of Arrangement and any Company Note certificate(s) so surrendered shall forthwith be cancelled.

(c) Upon surrender to the Depositary for cancellation of a direct registration statement (DRS) notice (a "**DRS Advice**") or a certificate which, immediately prior to the Effective Time, represented outstanding Shares that were transferred pursuant to Section 2.3(e), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, each such Share represented by such surrendered DRS Advice or certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, the cash which such holder has the right to receive under this Plan of Arrangement for such Shares and, in the case of the Rollover Shares, Regal Topco

and the Purchaser shall, as applicable, deliver the Rollover Consideration to which Regal Holdings LP or Regal Topco, as applicable, have a right to receive under this Plan of Arrangement and the Rollover Agreements in respect of their Rollover Shares, and any certificate or DRS Advice so surrendered shall forthwith be cancelled.

(d) Until surrendered as contemplated by this Section 4.1, each DRS Advice, certificate, agreement or other instrument (as applicable) that, immediately prior to the Effective Time, represented Shares or Company Notes shall be deemed after the Effective Time to represent only the right to receive, in the case of the Shares, the Consideration per Share, in the case of the Rollover Shares, the applicable Rollover Consideration, or, in the case of the Company Notes, the Company Note Consideration, in lieu of such certificate as contemplated in this Section 4.1. Any such DRS Advice, certificate, agreement or other instrument formerly representing Shares or Company Notes not duly surrendered with all other documents required by this Section 4.1 on or before the third anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder thereof of any kind or nature against or in the Company or the Purchaser, as applicable. On such date, all cash to which such former holder was entitled shall be deemed to have been surrendered to the Purchaser or the Company, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

(e) Any payment made by way of cheque by the Depositary pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depositary or that otherwise remains unclaimed, in each case, on or before the third anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the third anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Shares and Company Notes pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.

(f) No holder of Shares or Company Notes shall be entitled to receive any consideration or entitlement with respect to such Shares or Company Notes other than any consideration or entitlement to which such holder is entitled to receive in accordance with Section 2.3 and this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment or distribution in connection therewith.

4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Shares or Company Notes that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, cash deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed

certificate, the Person to whom such cash is to be delivered shall as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary (each acting reasonably) in such sum as the Purchaser may direct (acting reasonably), or otherwise indemnify the Purchaser and the Company in a manner satisfactory to the Purchaser and the Company, each acting reasonably, against any claim that may be made against the Purchaser and the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

4.3 Withholding Rights

Each of the Company, the Purchaser, the Depositary and any Person that makes a payment in connection with this Plan of Arrangement shall be entitled to deduct or withhold from any amount otherwise payable or deliverable to any Person under this Plan of Arrangement (including any amounts payable pursuant to Section 3.1), such amounts as it is required, entitled or permitted to deduct or withhold (determined in good faith) from such amount otherwise payable or deliverable under the Tax Act or any provision of any other Law in respect of Taxes and shall remit such deducted or withheld amount to the appropriate Governmental Entity. To the extent that amounts are so deducted or withheld and remitted to the appropriate Governmental Entity, such amounts shall be treated for purposes under this Plan of Arrangement as having been paid to the Person in respect of which such deduction or withholding and remittance was made.

4.4 Rounding of Cash

In any case where the aggregate cash amount payable to a particular holder of Shares or Company Notes under the Arrangement would, but for this provision, include a fraction of a cent, the amount payable shall be rounded down to the nearest whole cent.

4.5 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

4.6 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Shares and Company Notes issued or outstanding prior to the Effective Time, (b) the rights and obligations of the Shareholders, the Company Noteholders, the Company, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement and the Arrangement Agreement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Shares or Company Notes shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 5
AMENDMENTS

5.1 Amendments to Plan of Arrangement

(a) The Company and the Purchaser may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by the Company and the Purchaser, each acting reasonably, (iii) filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to the Company Securityholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Purchaser at any time prior to or at the Company Meeting (provided that the Company or the Purchaser, as applicable, shall have consented thereto in writing) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting (but prior to the Effective Time) shall be effective only if (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Shareholders in the manner directed by the Court.

(d) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time unilaterally by the Purchaser, provided that it concerns a matter which, in the reasonable opinion of the Purchaser, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the economic interest of any former Company Securityholder.

(e) Notwithstanding anything in this Plan of Arrangement or the Arrangement Agreement, the Company and the Purchaser shall be entitled at any time prior to the Effective Time to modify this Plan of Arrangement without any prior notice or communication or approval of the Court or the Company Securityholders, provided such modifications are agreed to in writing by each of the Company and the Purchaser, each acting reasonably, are of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and are not adverse to the economic interest of any Company Securityholder.

(f) This Plan of Arrangement may be withdrawn prior to the occurrence of the Effective Time in accordance with the terms of the Arrangement Agreement.

ARTICLE 6
FURTHER ASSURANCES

6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further authorization, act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

APPENDIX "C"

INTERIM ORDER

(*See attached.*)

Court File No. CV-25-00749213-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE	**)**	**WEDNESDAY, THE 27th**
JUSTICE CAVANAGH	**)**	**DAY OF AUGUST 2025**

IN THE MATTER OF an application under section 182 of *the Business Corporations Act*, R.S.O. 1990, c. B.16, as amended

AND IN THE MATTER OF a proposed arrangement of First National Financial Corporation

FIRST NATIONAL FINANCIAL CORPORATION

Applicant

INTERIM ORDER

THIS MOTION made by the Applicant, First National Financial Corporation ("First National"), for an interim order ("Interim Order") for advice and directions pursuant to section 182(5) of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended, (the "OBCA") was heard this day by videoconference.

ON READING the Notice of Motion, the Notice of Application issued on August 11, 2025 and the affidavit of Jason Ellis sworn August 25, 2025 (the "Ellis Affidavit"), including the Plan of Arrangement (attached as Appendix B to the draft management information circular of First National (the "Circular"), which is Exhibit "A" to the Ellis Affidavit), on hearing the submissions of counsel for First National and counsel for Regal Bidco Inc. (the "Purchaser") and on being advised that the Director appointed under the OBCA (the "Director") has been notified and does not consider it necessary to appear.

Definitions

1. **THIS COURT ORDERS** that all capitalized terms used in this Interim Order shall have the meaning ascribed thereto in the Circular unless specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that First National is permitted to call, hold and conduct a special meeting (the "Meeting") of the holders (the "Shareholders") of common shares in the capital of First National (the "Shares"), to be held virtually on September 30, 2025 at 10:30 a.m. (Toronto time). At the Meeting, Shareholders will be asked to consider and, if determined advisable, pass a resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "Arrangement Resolution").

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the OBCA, the notice of meeting of Shareholders which accompanies the Circular (the "Notice of Meeting") and the articles and by-laws of First National, subject to what may be provided herein and subject to further order of this Court.

4. **THIS COURT ORDERS** that the record date (the "Record Date") for determination of Shareholders entitled to receive notice and vote at the Meeting shall be August 21, 2025.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

(a) the Shareholders of record as of the close of business on the Record Date or their proxyholders;

(b) the officers, directors, auditor and advisors of First National;

(c) representatives and advisors of the Purchaser;

(d) the Director; and

(e) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that First National may transact such other business at the Meeting as is contemplated in the Circular, or as may otherwise be properly brought before the Meeting.

Quorum

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by First National and that a quorum shall be present at the Meeting if the holders of not less than 10% of the Shares entitled to vote at the Meeting are present at the Meeting or represented by proxy, irrespective of the number of persons present at the Meeting.

Amendments to the Arrangement and Plan of Arrangement

8. **THIS COURT ORDERS** that First National is authorized to make, subject to the terms of the Arrangement Agreement and paragraph 9, below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to the Shareholders, or others entitled to receive notice under paragraphs 12 and 13 hereof. The Arrangement and Plan of Arrangement, as so amended, modified or supplemented, shall be the Arrangement and Plan of Arrangement to be submitted to Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Court at the hearing of the Application for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement made after initial notice is provided as contemplated in paragraph 12 hereof would, if disclosed, reasonably be expected to affect a Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall, subject to further order of this Court, be distributed by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as First National may determine.

Amendments to the Circular

10. **THIS COURT ORDERS** that First National is authorized to make such amendments, revisions and/or supplements to the draft Circular as it may determine and the Circular, as so amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with paragraphs 12 and 13 hereof.

Adjournments and Postponements

11. **THIS COURT ORDERS** that First National, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of the Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as First National may determine is appropriate in the circumstances. The Record Date will not change as a result of any adjournment or postponement of the Meeting. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, to provide notice of the Meeting, subject to the extent section 262(4) of the OBCA is applicable, First National shall send or cause to be sent the Circular (including the Notice of Application and this Interim Order), the Notice of Meeting, the form of proxy and the applicable letter of transmittal (in each case, for registered Shareholders) and the voting instruction form (for non-registered Shareholders), along with such amendments or additional documents as First National may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "Meeting Materials"), as follows:

(a) to registered Shareholders at the close of business on the Record Date, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

(i) by pre-paid ordinary or first-class mail at the addresses of the Shareholders as they appear on the books and records of First National or its registrar and transfer agent at the close of business on the Record Date, and if no address is shown therein, then the last address of the person known to the corporate secretary of First National;

(ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

(iii) by facsimile, email or other electronic transmission to any Shareholder who is identified to the satisfaction of First National and who consents to such transmission in writing to First National;

(b) to non-registered Shareholders by providing sufficient copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*; and

(c) to the directors and auditor of First National by delivery in person, by recognized courier service, by pre-paid ordinary or first-class mail, or by email, at least twenty-one (21) days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting.

Compliance with this paragraph shall constitute sufficient notice of the Meeting to those Persons listed in paragraphs 12(a) through (c).

13. **THIS COURT ORDERS** that First National is hereby directed to distribute the Circular (including the Notice of Application and this Interim Order), the Notice of Meeting and the applicable forms of proxy, letters of transmittal and voting information form (collectively, the "Court Materials") to the holders of First National senior unsecured notes (the "Company Notes") by means of a notice to the registered holder of the Company Notes, which as of the date hereof is CDS Clearing and Depositary Services Inc. or its nominee, on account of the beneficial holders of the Company Notes in accordance with the Company Notes Indenture, and to the Indenture Trustee which notice shall contain an electronic link to the Court Materials. Notwithstanding the terms of the Company Notes Indenture, the Company may rely on the delivery of the Court Materials as notice to the Company Noteholders that the Company Notes will be redeemed as part of the Arrangement on the effective date thereof.

14. **THIS COURT ORDERS** that accidental failure or omission by First National to give notice of the Meeting or to distribute the Meeting Materials or Court Materials to any Person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of First National, or the non-receipt of such notice shall, subject to further order of this Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of First National, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

15. **THIS COURT ORDERS** that First National is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials and Court Materials as First National may determine in accordance with the terms of the Arrangement Agreement ("Additional Information"), and that notice of Additional Information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by another method most reasonably practicable in the circumstances as First National may determine.

16. **THIS COURT ORDERS** that distribution of the Meeting Materials and Court Materials pursuant to paragraphs 12 and 13 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the Application upon the persons described in paragraphs 12 and 13 and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9 above.

Solicitation and Revocation of Proxies

17. **THIS COURT ORDERS** that First National is authorized to use the applicable letter of transmittal and form of proxy substantially in the form of the drafts attached as exhibits to the Ellis Affidavit, with such amendments and additional information as First National may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. First National and the Purchaser are authorized, at their expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. First National may waive generally, in its discretion, the time limits set out in the Circular for the deposit or revocation of proxies by Shareholders if First National deems it advisable to do so.

18. **THIS COURT ORDERS** that Shareholders shall be entitled to revoke their proxies in accordance with sections 110(4) and (4.1) of the OBCA (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to sections 110(4) and (4.1) of the OBCA: (i) may be deposited at the registered office of First National or with the transfer agent of First National as set out in the Circular; and (ii) must be received by First National or its transfer agent not later than the forty-eight (48) hours (excluding Saturdays, Sundays and statutory holidays in the Province of Ontario) immediately preceding the Meeting (or any adjournment or postponement of the Meeting).

Voting

19. **THIS COURT ORDERS** that the only persons entitled to vote personally or by proxy on the Arrangement Resolution or such other business as may be properly brought before the Meeting shall be those Shareholders who hold Shares of First National as of the close of

business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

20. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote per Share held. Subject to further order of this Court, for the Plan of Arrangement to be implemented the Arrangement Resolution must be passed, with or without variation, at the Meeting by:

(a) an affirmative vote of at least two-thirds ($66^{2}/_{3}\%$) of the votes cast in respect of the Arrangement Resolution at the Meeting present or by proxy by the Shareholders, with Shareholders and entitled to vote at the Meeting, voting as a single class; and

(b) a simple majority of the votes cast in respect of the Arrangement Resolution at the Meeting present or by proxy by the Shareholders and entitled to vote at the Meeting, other than Shares owned or controlled, directly or indirectly, by the Rollover Shareholders and any other persons described in items (a) through (d) of section 8.1(2) of Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Regulatory Authorities, but subject to the exemptions noted therein and any exemptions granted thereunder.

Such votes shall be sufficient to authorize First National to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement without the necessity of any further approval by the Shareholders, subject only to final approval of the Arrangement by this Court.

21. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting First National other than in respect of the Arrangement Resolution, each Shareholder is entitled to one vote for each Share held.

Dissent Rights

22. **THIS COURT ORDERS** that each registered Shareholder shall be entitled to exercise dissent rights in connection with the Arrangement Resolution in accordance with section 185 of the OBCA (except as the procedures of that section are varied by this Interim Order and the Plan of Arrangement) provided that, notwithstanding subsection 185(6) of the OBCA, any Shareholder who wishes to dissent must, as a condition precedent thereto, provide written objection to the Arrangement Resolution to First National in the form required by section 185 of the OBCA and the Arrangement Agreement, which written objection must be received by First National not later than 5:00 p.m. (Toronto time) on the date that is two (2) business days immediately preceding the Meeting (or any adjournment or postponement thereof), and must otherwise strictly comply with the requirements of the OBCA. For purposes of these proceedings, the "court" referred to in section 185 of the OBCA means this Court.

23. **THIS COURT ORDERS** that, notwithstanding section 185(4) of the OBCA, the Purchaser, not First National, shall be required to offer to pay fair value, as of the day prior to approval of the Arrangement Resolution, for Shares held by registered Shareholders who duly exercise dissent rights and to pay the amount to which such Shareholders may be entitled pursuant to the terms of the Arrangement Agreement or Plan of Arrangement. In accordance with the Plan of Arrangement and the Circular, all references to the "corporation" in subsections 185(4) and 185(14) to 185(30) of the OBCA (except for the second reference to the "corporation" in subsection 185(15) and the reference to the "corporation" in subsection

185(22(a))), shall be deemed to refer to the Purchaser in place of the "corporation", and the Purchaser shall have all of the rights, duties and obligations of the "corporation" under subsections 185(14) to 185(30) of the OBCA.

24. **THIS COURT ORDERS** that any registered Shareholder who duly exercises such dissent rights set out in paragraph 22 above and who:

(a) is ultimately determined by this Court to be entitled to be paid fair value for his, her or its Shares shall be deemed to have transferred those Shares as of the time set forth in Section 2.3(d) of the Plan of Arrangement, without any further act or formality, free and clear of all liens, claims, encumbrances, charges, adverse interests or security interests to the Purchaser for cancellation in consideration for a payment of cash from the Purchaser equal to such fair value; or

(b) is for any reason ultimately determined by this Court not to be entitled to be paid fair value for his, her or its Shares pursuant to the exercise of the dissent rights, shall be deemed to have participated in the Arrangement on the same basis and at the same time as any non-dissenting Shareholder;

but in no case shall First National, the Purchaser or any other person be required to recognize such persons as holders of Shares at or after the date upon which the Arrangement becomes effective and the names of such persons shall be deleted from First National's register of Shareholders at that time.

Hearing of Application for Approval of the Arrangement

25. **THIS COURT ORDERS** that after approval by the Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, First National may apply to this Court for final approval of the Arrangement.

26. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Circular, when sent in accordance with paragraphs 12 and 13 hereof, shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 27 hereof.

27. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the lawyers for First National, with a copy to counsel for the Purchaser, as soon as reasonably practicable, and, in any event, no less than five (5) business days before the hearing of this Application at the following addresses:

Andrew Gray
Torys LLP
79 Wellington Street West
Toronto, Ontario
M5K 1N2 Canada
email: agray@torys.com

Lawyers for First National

and

Derek Ricci and Rui Gao
Davies Ward Phillips & Vineberg LLP
155 Wellington Street West
Toronto, Ontario
M5V 3J7 Canada
email: dricci@dwpv.com and rgao@dwpv.com

Lawyers for the Purchaser

28. **THIS COURT ORDERS** that, subject to further order of this Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

(a) First National;

(b) the Purchaser;

(c) the Director; and

(d) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order and the *Rules of Civil Procedure*.

29. **THIS COURT ORDERS** that any materials to be filed by First National in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Court.

30. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth in the Notice of Application, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 27 hereof shall be entitled to be given notice of the adjourned date.

Precedence

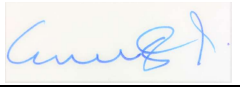
31. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the Shares, Company Notes, the articles or by-laws of First National, this Interim Order shall govern.

Extra-Territorial Assistance

32. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Court in carrying out the terms of this Interim Order.

Variance

33. **THIS COURT ORDERS** that First National shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Court may direct.



IN THE MATTER OF A PROPOSED ARRANGEMENT OF First National Financial Corporation

Court File No. CV-25-00749213-00CL

First National Financial Corporation
Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

INTERIM ORDER

Torys LLP
79 Wellington Street West
Toronto, Ontario
M5K 1N2 Canada

Andrew Gray (LSO #: 46626V)
Tel: 416.302.6987
Fax: 416.865.7380
agray@torys.com

Lawyers for the Applicant

APPENDIX "D"

SECTION 185 OF OBCA

Rights of dissenting shareholders

185 (1) Subject to subsection (3) and to sections 186 and 248, if a corporation resolves to,

(a) amend its articles under section 168 to add, remove or change restrictions on the issue, transfer or ownership of Shares of a class or series of the shares of the corporation;

(b) amend its articles under section 168 to add, remove or change any restriction upon the business or businesses that the corporation may carry on or upon the powers that the corporation may exercise;

(c) amalgamate with another corporation under sections 175 and 176;

(d) be continued under the laws of another jurisdiction under section 181;

(d.1) be continued under the Co-operative Corporations Act under section 181.1;

(d.2) be continued under the Not-for-Profit Corporations Act, 2010 under section 181.2; or

(e) sell, lease or exchange all or substantially all its property under subsection 184 (3), a holder of shares of any class or series entitled to vote on the resolution may dissent.

Idem

(2) If a corporation resolves to amend its articles in a manner referred to in subsection 170 (1), a holder of shares of any class or series entitled to vote on the amendment under section 168 or 170 may dissent, except in respect of an amendment referred to in,

(a) clause 170 (1) (a), (b) or (e) where the articles provide that the holders of shares of such class or series are not entitled to dissent; or

(b) subsection 170 (5) or (6).

One class of shares

(2.1) The right to dissent described in subsection (2) applies even if there is only one class of shares.

Exception

(3) A shareholder of a corporation incorporated before the 29th day of July, 1983 is not entitled to dissent under this section in respect of an amendment of the articles of the corporation to the extent that the amendment,

(a) amends the express terms of any provision of the articles of the corporation to conform to the terms of the provision as deemed to be amended by section 277; or

(b) deletes from the articles of the corporation all of the objects of the corporation set out in its articles, provided that the deletion is made by the 29th day of July, 1986.

Shareholder's right to be paid fair value

(4) In addition to any other right the shareholder may have, but subject to subsection (30), a shareholder who complies with this section is entitled, when the action approved by the resolution from which the shareholder dissents becomes effective, to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the day before the resolution was adopted.

No partial dissent

(5) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the dissenting shareholder on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.

Objection

(6) A dissenting shareholder shall send to the corporation, at or before any meeting of shareholders at which a resolution referred to in subsection (1) or (2) is to be voted on, a written objection to the resolution, unless the corporation did not give notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent.

Idem

(7) The execution or exercise of a proxy does not constitute a written objection for purposes of subsection (6).

Notice of adoption of resolution

(8) The corporation shall, within ten days after the shareholders adopt the resolution, send to each shareholder who has filed the objection referred to in subsection (6) notice that the resolution has been adopted, but such notice is not required to be sent to any shareholder who voted for the resolution or who has withdrawn the objection.

Idem

(9) A notice sent under subsection (8) shall set out the rights of the dissenting shareholder and the procedures to be followed to exercise those rights.

Demand for payment of fair value

(10) A dissenting shareholder entitled to receive notice under subsection (8) shall, within twenty days after receiving such notice, or, if the shareholder does not receive such notice, within twenty

days after learning that the resolution has been adopted, send to the corporation a written notice containing,

(a) the shareholder's name and address;

(b) the number and class of shares in respect of which the shareholder dissents; and

(c) a demand for payment of the fair value of such shares.

Certificates to be sent in

(11) Not later than the thirtieth day after the sending of a notice under subsection (10), a dissenting shareholder shall send the certificates, if any, representing the shares in respect of which the shareholder dissents to the corporation or its transfer agent.

Idem

(12) A dissenting shareholder who fails to comply with subsections (6), (10) and (11) has no right to make a claim under this section.

Endorsement on certificate

(13) A corporation or its transfer agent shall endorse on any share certificate received under subsection (11) a notice that the holder is a dissenting shareholder under this section and shall return forthwith the share certificates to the dissenting shareholder.

Rights of dissenting shareholder

(14) On sending a notice under subsection (10), a dissenting shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shares as determined under this section except where,

(a) the dissenting shareholder withdraws notice before the corporation makes an offer under subsection (15);

(b) the corporation fails to make an offer in accordance with subsection (15) and the dissenting shareholder withdraws notice; or

(c) the directors revoke a resolution to amend the articles under subsection 168 (3), terminate an amalgamation agreement under subsection 176 (5) or an application for continuance under subsection 181 (5), or abandon a sale, lease or exchange under subsection 184 (8),

in which case the dissenting shareholder's rights are reinstated as of the date the dissenting shareholder sent the notice referred to in subsection (10).

Same

(14.1) A dissenting shareholder whose rights are reinstated under subsection (14) is entitled, upon presentation and surrender to the corporation or its transfer agent of any share certificate that has been endorsed in accordance with subsection (13),

(a) to be issued, without payment of any fee, a new certificate representing the same number, class and series of shares as the certificate so surrendered; or

(b) if a resolution is passed by the directors under subsection 54 (2) with respect to that class and series of shares,

(i) to be issued the same number, class and series of uncertificated shares as represented by the certificate so surrendered, and

(ii) to be sent the notice referred to in subsection 54 (3).

Same

(14.2) A dissenting shareholder whose rights are reinstated under subsection (14) and who held uncertificated shares at the time of sending a notice to the corporation under subsection (10) is entitled,

(a) to be issued the same number, class and series of uncertificated shares as those held by the dissenting shareholder at the time of sending the notice under subsection (10); and

(b) to be sent the notice referred to in subsection 54 (3).

Offer to pay

(15) A corporation shall, not later than seven days after the later of the day on which the action approved by the resolution is effective or the day the corporation received the notice referred to in subsection (10), send to each dissenting shareholder who has sent such notice,

(a) a written offer to pay for the dissenting shareholder's shares in an amount considered by the directors of the corporation to be the fair value thereof, accompanied by a statement showing how the fair value was determined; or

(b) if subsection (30) applies, a notification that it is unable lawfully to pay dissenting shareholders for their shares.

Idem

(16) Every offer made under subsection (15) for shares of the same class or series shall be on the same terms.

Idem

(17) Subject to subsection (30), a corporation shall pay for the shares of a dissenting shareholder within ten days after an offer made under subsection (15) has been accepted, but any such offer lapses if the corporation does not receive an acceptance thereof within thirty days after the offer has been made.

Application to court to fix fair value

(18) Where a corporation fails to make an offer under subsection (15) or if a dissenting shareholder fails to accept an offer, the corporation may, within fifty days after the action approved by the resolution is effective or within such further period as the court may allow, apply to the court to fix a fair value for the shares of any dissenting shareholder.

Idem

(19) If a corporation fails to apply to the court under subsection (18), a dissenting shareholder may apply to the court for the same purpose within a further period of twenty days or within such further period as the court may allow.

Idem

(20) A dissenting shareholder is not required to give security for costs in an application made under subsection (18) or (19).

Costs

(21) If a corporation fails to comply with subsection (15), then the costs of a shareholder application under subsection (19) are to be borne by the corporation unless the court otherwise orders.

Notice to shareholders

(22) Before making application to the court under subsection (18) or not later than seven days after receiving notice of an application to the court under subsection (19), as the case may be, a corporation shall give notice to each dissenting shareholder who, at the date upon which the notice is given,

(a) has sent to the corporation the notice referred to in subsection (10); and

(b) has not accepted an offer made by the corporation under subsection (15), if such an offer was made,

of the date, place and consequences of the application and of the dissenting shareholder's right to appear and be heard in person or by counsel, and a similar notice shall be given to each dissenting shareholder who, after the date of such first mentioned notice and before termination of the

proceedings commenced by the application, satisfies the conditions set out in clauses (a) and (b) within three days after the dissenting shareholder satisfies such conditions.

Parties joined

(23) All dissenting shareholders who satisfy the conditions set out in clauses (22) (a) and (b) shall be deemed to be joined as parties to an application under subsection (18) or (19) on the later of the date upon which the application is brought and the date upon which they satisfy the conditions, and shall be bound by the decision rendered by the court in the proceedings commenced by the application.

Idem

(24) Upon an application to the court under subsection (18) or (19), the court may determine whether any other person is a dissenting shareholder who should be joined as a party, and the court shall fix a fair value for the shares of all dissenting shareholders.

Appraisers

(25) The court may in its discretion appoint one or more appraisers to assist the court to fix a fair value for the shares of the dissenting shareholders.

Final order

(26) The final order of the court in the proceedings commenced by an application under subsection (18) or (19) shall be rendered against the corporation and in favour of each dissenting shareholder who, whether before or after the date of the order, complies with the conditions set out in clauses (22) (a) and (b).

Interest

(27) The court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder from the date the action approved by the resolution is effective until the date of payment.

Where corporation unable to pay

(28) Where subsection (30) applies, the corporation shall, within ten days after the pronouncement of an order under subsection (26), notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

Idem

(29) Where subsection (30) applies, a dissenting shareholder, by written notice sent to the corporation within thirty days after receiving a notice under subsection (28), may,

(a) withdraw a notice of dissent, in which case the corporation is deemed to consent to the withdrawal and the shareholder's full rights are reinstated; or

(b) retain a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

Idem

(30) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that,

(a) the corporation is or, after the payment, would be unable to pay its liabilities as they become due; or

(b) the realizable value of the corporation's assets would thereby be less than the aggregate of its liabilities.

Court order

(31) Upon application by a corporation that proposes to take any of the actions referred to in subsection (1) or (2), the court may, if satisfied that the proposed action is not in all the circumstances one that should give rise to the rights arising under subsection (4), by order declare that those rights will not arise upon the taking of the proposed action, and the order may be subject to compliance upon such terms and conditions as the court thinks fit and, if the corporation is an offering corporation, notice of any such application and a copy of any order made by the court upon such application shall be served upon the Commission.

Commission may appear

(32) The Commission may appoint counsel to assist the court upon the hearing of an application under subsection (31), if the corporation is an offering corporation.

APPENDIX "E"
FORMAL VALUATION AND FAIRNESS OPINION

(*See attached.*)

BMO Capital Markets

July 27, 2025

The Special Committee of the Board of Directors
First National Financial Corporation
16 York Street, Suite 1900
Toronto, ON
M5J 0E6

To the Special Committee and the Board of Directors of First National Financial Corporation (excluding Stephen Smith and Moray Tawse) (the "**Unconflicted Company Board**"):

BMO Nesbitt Burns Inc. ("**BMO Capital Markets**") understands that Regal Bidco Inc. (the "**Purchaser**"), a newly-formed acquisition vehicle controlled by private equity funds managed by Birch Hill Equity Partners Management Inc. ("**Birch Hill**") and private equity funds managed by Brookfield Asset Management ("**Brookfield**"), is proposing to acquire all of the outstanding common shares (the "**Shares**") of First National Financial Corporation (the "**Company**" or "**First National**"), other than the Rollover Shares (as defined below), for $48.00 per Share in cash (the "**Consideration**") by way of an arrangement under the *Business Corporations Act* (Ontario) (the "**Transaction**"). BMO Capital Markets understands that the co-founders of the Company, Stephen Smith and Moray Tawse (together with their associates and affiliates, the "**Rollover Shareholders**"), currently hold 37.4% and 34.0%, respectively, of the outstanding Shares. As part of the Transaction, the Rollover Shareholders will sell approximately two-thirds of their Shares for the same cash consideration per Share as other shareholders and have agreed to exchange their remaining Shares (the "**Rollover Shares**") for indirect ownership interests in the Purchaser.

The above description is summary in nature and BMO Capital Markets understands that additional details of the Transaction will be provided in a management proxy circular (the "**Circular**") that will be mailed to holders of the Shares (the "**Shareholders**") in connection with the Transaction.

BMO Capital Markets further understands that a committee of independent members (the "**Special Committee**") of the Board of Directors of the Company (the "**Board**") was constituted to, among other things, consider the Transaction and make recommendations to the Board regarding the Transaction and supervise the preparation of a formal valuation required by *Multilateral Instrument 61-101 Protection of Minority Security Holders in Special Transactions* (the "**Rule**"). BMO Capital Markets has been advised by the counsel to the Special Committee that the Transaction is a "business combination", as such term is defined in the Rule. BMO Capital Markets has been retained to prepare and deliver to the Special Committee a formal valuation of the Shares in accordance with the requirements of the Rule (the "**Formal Valuation**") and to prepare and deliver to the Special Committee an opinion as to whether the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Transaction, is fair, from a financial point of view, to the Shareholders (other than the Rollover Shareholders) (the "**Opinion**").

The Formal Valuation and Opinion have been prepared in accordance with the disclosure standards for formal valuations and fairness opinions of the Canadian Investment Regulatory Organization ("**CIRO**"), but CIRO has not been involved in the preparation or review of the Formal Valuation or the Opinion, each as set forth herein.

All financial figures contained herein are denominated in Canadian dollars unless otherwise noted. Certain figures have been rounded for presentation purposes. References to "fiscal year" contained herein may be abbreviated with "FY".

ENGAGEMENT OF BMO CAPITAL MARKETS

The Special Committee first contacted BMO Capital Markets on January 17, 2025, regarding a possible engagement of BMO Capital Markets in connection with the preparation of a Formal Valuation and provision of the Opinion for the Transaction. BMO Capital Markets first met with the Special Committee on January 22, 2025 and was formally engaged by the Special Committee to prepare the Formal Valuation and Opinion pursuant to an engagement letter dated June 5, 2025, effective as of March 14, 2025 (the "**Engagement Agreement**"). The terms of the Engagement Agreement provide that the Company shall pay BMO Capital Markets: (i) a fee of $750,000 in cash on the date that BMO Capital Markets presents its preliminary findings and financial analysis to the Special Committee; and (ii) a fee of $950,000 in cash on the date BMO Capital Markets delivers to the Special Committee its final valuation report and written fairness opinion letter.

In addition, BMO Capital Markets is to be reimbursed for its reasonable out-of-pocket expenses, including reasonable fees paid to its legal counsel in respect of advice rendered to BMO Capital Markets in carrying out its obligations under the Engagement Agreement, and is to be indemnified by the Company in certain circumstances.

No part of BMO Capital Markets' fee is contingent upon the conclusions reached in the Formal Valuation and Opinion, or the completion of the Transaction or any other transaction.

CREDENTIALS OF BMO CAPITAL MARKETS

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America, and globally, involving public companies in various industry sectors, including the financial services sector generally, and has extensive experience in preparing valuations and fairness opinions in situations similar to the Transaction.

The Formal Valuation and Opinion expressed herein are as of July 27, 2025 and the issuance thereof has been approved by an internal committee of BMO Capital Markets, consisting of directors and officers experienced in mergers and acquisitions, divestitures, valuations and fairness opinions.

INDEPENDENCE OF BMO CAPITAL MARKETS

BMO Capital Markets acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had, and may in the future have, positions in the securities of (i) the Company, (ii) certain interested parties in the Transaction, or (iii) any of their respective associated or affiliated entities and, from time to time, may have executed, or may execute, transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, BMO Capital Markets conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including with respect to (a) the Company, (b) certain interested parties in the Transaction, (c) any of their respective associated or affiliated entities, or (d) the

Transaction. As used herein, "affiliated entity," "associated entity," "issuer insider" and "interested parties" shall have the meanings ascribed to them in the Rule.

In addition, in the ordinary course of its business, BMO Capital Markets or its controlling shareholder, Bank of Montreal (the "**Bank**"), or any of their affiliated entities may have extended or may extend loans, or may have provided or may provide other financial services, to the interested parties or their respective associated or affiliated entities, including entities affiliated or associated with the Rollover Shareholders.

None of BMO Capital Markets, the Bank or any of their affiliated entities:

(a) is an associated or affiliated entity or issuer insider of an interested party;

(b) acts as an adviser to an interested party in respect of the Transaction;

(c) is entitled to compensation that depends in whole or in part on an agreement, arrangement or understanding that gives such party a financial incentive in respect of the conclusions reached in the Formal Valuation and Opinion or the outcome of the Transaction;

(d) is a manager or co-manager of a soliciting dealer group formed for the Transaction (or a member of such a group performing services beyond the customary soliciting dealer's functions or receiving more than the per security or per security holder fees payable to the other members of the group);

(e) is the external auditor of the Company or an interested party;

(f) has a material financial interest in the completion of the Transaction (and BMO Capital Markets confirms that the fees payable to BMO Capital Markets pursuant to the Engagement Agreement are not material to BMO Capital Markets);

(g) has a material financial interest in future business under an agreement, commitment or understanding involving the Company, any interested parties or any associated or affiliated entity of the Company or an interested party;

(h) is a lender of a material amount of indebtedness in a situation where any interested party is in financial difficulty, and the Transaction would reasonably be expected to have the effect of materially enhancing the Bank's position; or

(i) derives an amount of business or revenue from an interested party that is material to BMO Capital Markets or the Bank or that would reasonably be expected to affect the independence of BMO Capital Markets in preparing the Formal Valuation and Opinion.

During the 24 months before BMO Capital Markets was first contacted for the purpose of this engagement, except for instances disclosed below, none of BMO Capital Markets nor any of its affiliated entities:

(a) has had a material involvement in an evaluation, appraisal or review of the financial condition of any interested party, or an associated or affiliated entity of an interested party;

(b) has had a material involvement in an evaluation, appraisal or review of the financial condition of the Company, or an associated or affiliated entity of the Company, where the evaluation, appraisal or review was carried out at the direction or request of an interested party or paid for by an interested party;

(c) has acted as a lead or co-lead underwriter of a distribution of securities by an interested party, or acted as a lead or co-lead underwriter of a distribution of securities by the Company where such retention was carried out at the direction or request of an interested party or paid for by an interested party;

(d) has had a material financial interest in a transaction involving an interested party or an associated or affiliated entity of an interested party; or

(e) has had a material financial interest in a transaction involving the Company or an associated or affiliated entity of the Company.

Prior to BMO Capital Markets' engagement, BMO Capital Markets disclosed to the Special Committee the following relationships with First National, the Rollover Shareholders and their affiliates, none of which are or were material to BMO Capital Markets or the Bank:

(a) BMO Capital Markets and the Bank have certain normal course business dealings with First National and the Rollover Shareholders and their affiliates, none of which are material to BMO Capital Markets or the Bank. These include:

i. the Bank purchasing a small volume of First National mortgages;

ii. the Bank outsourcing a limited amount of its retail mortgage underwriting to First National; and

iii. BMO Capital Markets (together with other banks) providing securitization and recourse lending support to First National and Fairstone Bank (an entity that is controlled by Stephen Smith);

(b) in the 24 months preceding the date that BMO Capital Markets was first contacted for the purpose of this engagement,

iv. BMO Capital Markets was a bookrunner on (A) one Deposit Note issued by Home Capital (an entity that was controlled by Stephen Smith) and (B) multiple Deposit Notes and a Limited Recourse Capital Note issued by Equitable Bank (an entity in which Stephen Smith has a meaningful minority equity ownership position); and

v. BMO Capital Markets advised Home Capital on its sale to Smith Financial Corporation, (a company controlled by Stephen Smith) and earned an advisory fee in connection with that engagement.

(c) the Bank's wealth management division has a lending relationship with Stephen Smith; and

(d) the Bank has a lending relationship with Fairstone Bank.

BMO Capital Markets does not believe that these relationships affect its independence as defined by the Rule.

SCOPE OF REVIEW

In connection with rendering the Formal Valuation and Opinion, BMO Capital Markets reviewed, considered and relied upon (without attempting to verify independently the completeness, accuracy or fair presentation thereof), among other things, the following:

(a) certain publicly available information concerning the Company, including its audited annual financial statements, quarterly interim financial statements, annual and quarterly management's discussion and analysis, annual information forms and material change reports since December 31, 2019;

(b) selected internal financial statements and other business and financial information, including forward-looking projections and other non-public information provided to us by senior management of the Company ("**Management**"), including the Company's long-term business plans and financial forecasts, and draft Q2 2025 interim financial statements;

(c) the Management Forecast (as defined below), which we understand reflects Management's current best estimate of future business conditions and financial performance, as prepared by Management and supporting analysis;

(d) a discussion with Management on March 27, 2025 with respect to the information referred to above and other issues considered relevant, including the Management Forecast, historical business performance, business plan, perspectives on potential synergies, and the outlook for the Company;

(e) a discussion with Management on July 7, 2025 with respect to an update on the Company's year-to-date performance, in which Management confirmed that the Management Forecast still represented their then-current view of the Company's outlook;

(f) representations contained in a letter dated July 27, 2025 (the "**Company Certificate**") addressed to BMO Capital Markets and signed by (i) the President and Chief Executive Officer, and (ii) the Chief Financial Officer of the Company as to, among other things, the completeness and accuracy of the Information (as defined below);

(g) various research publications prepared by equity research analysts and independent market researchers regarding the Company's industry, the Company, and other selected public companies considered relevant;

(h) third-party reports and studies about the Company's operations and market position in the competitive landscape made available to BMO Capital Markets by the Company;

(i) other public information relating to the business, operations, financial performance and share trading history of the Company and other selected public companies considered relevant;

(j) public information with respect to selected precedent transactions considered relevant;

(k) a draft dated July 27, 2025 of the arrangement agreement and the plan of arrangement (the "**Arrangement Agreement**");

(l) discussions with the Special Committee and its legal counsel, Blake, Cassels & Graydon LLP;

(m) discussions with BMO Capital Markets' legal counsel, Goodmans LLP; and

(n) such other corporate, industry and financial market information, investigations and analyses as BMO Capital Markets considered relevant in the circumstances.

PRIOR VALUATIONS

The Company has represented to BMO Capital Markets after due inquiry that there have not been any prior valuations (as defined in the Rule) of the Company or its material assets or securities in the past 24-month period.

ASSUMPTIONS AND LIMITATIONS

In accordance with the Engagement Agreement, BMO Capital Markets has relied upon, and has assumed the completeness, accuracy and fair presentation of, all financial and other information, data, advice, opinions and representations obtained from public sources or provided by the Company (including those representations contained in the Company Certificate) or any of its subsidiaries or directors, officers, employees, consultants, advisors and representatives, including information, data, and other materials filed on SEDAR+ (collectively, the "**Information**"). The Formal Valuation and Opinion are conditional upon the completeness, accuracy and fair presentation of such Information. Subject to the exercise of its professional judgment, BMO Capital Markets has not attempted to verify independently the completeness, accuracy or fair presentation of the Information.

BMO Capital Markets has assumed that the forecasts, projections, estimates and budgets of the Company provided to or discussed with BMO Capital Markets and used in its analyses, including the Management Forecast, have been reasonably prepared on bases reflecting the reasonable estimates and judgments of the Company's senior management as to the matters covered thereby.

The President and Chief Executive Officer as well as the Chief Financial Officer of the Company have represented to BMO Capital Markets in the Company Certificate that, among other things, (i) the Information provided orally by, or in the presence of, an officer or employee of the Company or in writing by the Company or any of its subsidiaries or any of its or their representatives to BMO Capital Markets for the purpose of preparing the Formal Valuation and Opinion (with the exception of the forecasts, projections, estimates or budgets referred to above) was, at the date such Information was provided to BMO Capital Markets, and (other than historical information superseded by more current information provided) is of the date hereof, complete, true and correct in all material respects, and (unless specifically disclosed to BMO Capital Markets) did not and does not contain any misrepresentation (as defined in the *Securities Act* (Ontario)); and (ii) since the dates on which such Information was provided to BMO Capital Markets, except as specifically disclosed to BMO Capital Markets, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Company or any of its subsidiaries and no change has occurred in such Information or any part thereof that could have or could reasonably be expected to have a material effect on the Formal Valuation and Opinion.

BMO Capital Markets has assumed that all material governmental, regulatory or other approvals and consents required in connection with the consummation of the Transaction will be obtained and that in connection with obtaining any necessary governmental, regulatory or other approvals and consents, no restrictions, terms, or conditions will be imposed that would be material to the Formal Valuation and Opinion or BMO Capital Markets' analyses. BMO Capital Markets also has assumed that the Transaction will be consummated in accordance with the terms and conditions of the Arrangement Agreement without waiver of, or amendment to, any term or condition that is in any way material to the Formal Valuation and Opinion or BMO Capital Markets' analyses, that the representations and warranties of each party contained in the Arrangement Agreement are and

will be true and correct in all material respects, that each party will perform all of the covenants and agreements required to be performed by it under the Arrangement Agreement and that all conditions to the consummation of the Transaction will be satisfied without waiver or modification.

The Formal Valuation and Opinion are rendered, and related analyses are performed, on the basis of securities markets, economic, financial, general business conditions and effective tax rates prevailing as of July 27, 2025 and the condition and prospects, financial and otherwise, of the Company, its subsidiaries and other material interests as they were reflected in the Information reviewed by BMO Capital Markets and as represented to BMO Capital Markets in discussions with Management and its representatives. In its analyses and in preparing the Formal Valuation and Opinion, BMO Capital Markets made numerous judgments with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of any party involved in the Transaction.

BMO Capital Markets is not a legal, tax, accounting or regulatory advisor and was not engaged to review any legal, tax, accounting or regulatory aspects of the Transaction and the Formal Valuation and Opinion do not address any such matters. BMO Capital Markets is a financial advisor and valuator and has relied upon, without independent verification, the assessments of the Company and its legal, tax, accounting and regulatory advisors with respect to legal, tax, accounting and regulatory matters.

The Formal Valuation and Opinion are provided as of July 27, 2025, and, except as required by section 6.4(2)(c) of the Rule, BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Formal Valuation and Opinion of which it may become aware after July 27, 2025. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Formal Valuation and Opinion after such date, BMO Capital Markets reserves the right to change, modify or withdraw the Formal Valuation and Opinion.

The Formal Valuation and Opinion and related analyses have been prepared and provided solely for the use and benefit of the Special Committee and the Unconflicted Company Board in evaluating the Consideration from a financial point of view and may not be used or relied upon by any other person without BMO Capital Markets' express prior written consent. Subject to the terms of the Engagement Agreement, BMO Capital Markets consents to the publication of the Formal Valuation and Opinion in its entirety and a summary thereof (in a form acceptable to BMO Capital Markets) in the Circular relating to the Transaction and to the filing thereof, as necessary, by the Company with the securities commissions or similar regulatory authorities in Canada.

BMO Capital Markets makes no recommendation (a) as to how any Shareholder or any other person should vote or act at the special meeting of Shareholders to approve the Transaction or in any matter relating to the Transaction, (b) to the Special Committee or the Board to authorize the Company to enter into the Arrangement Agreement or to proceed with the Transaction, or (c) with respect to any other action the Special Committee, the Board, any Shareholder or any other party should take in connection with the Transaction or otherwise.

BMO Capital Markets has not assumed any obligation to conduct, and it has not conducted, any physical inspection of the properties or facilities of the Company. Except for the Formal Valuation and Opinion, BMO Capital Markets has not prepared or been furnished with a formal valuation or appraisal of the assets or liabilities (contingent, derivative, off-balance sheet or otherwise) or

securities of the Company or any of its affiliates, and the Formal Valuation and Opinion should not be construed as such. BMO Capital Markets has not evaluated the solvency or fair value of the Company, the Purchaser or any other entity under any state, federal or provincial laws relating to bankruptcy, insolvency or similar matters. BMO Capital Markets has not been requested to make, and it has not made, an independent evaluation of, and expresses no view or opinion as to, any pending or potential litigation, claims, governmental, regulatory or other proceedings or investigations or possible unasserted claims or other contingent liabilities affecting the Company, the Purchaser or any other entity and BMO Capital Markets has assumed that any such matters would not be material to or otherwise impact the Formal Valuation and Opinion or BMO Capital Markets' analyses.

The Formal Valuation is limited to the Fair Market Value (as defined below) of the Shares as of the date hereof (to the extent expressly specified herein) and the Opinion is limited to the fairness, from a financial point of view and as of the date hereof, of the Consideration (to the extent expressly specified herein). The Formal Valuation and Opinion do not address the relative merits of the Transaction as compared to any strategic alternatives or other transaction or business strategies that may be available to the Company, nor does BMO Capital Markets express any opinion on the structure, terms or effect of any other aspect of the Transaction or the other transactions contemplated by the Arrangement Agreement. BMO Capital Markets expresses no view or opinion as to the future trading price of the Shares. In addition, BMO Capital Markets does not express any view or opinion as to the fairness, financial or otherwise, of the amount or nature of any compensation payable to or to be received by any officers, directors or employees of the Company, or any class of such persons, in connection with the Transaction relative to the Consideration or otherwise.

BMO Capital Markets has based the Formal Valuation and Opinion and related analyses upon a variety of factors. Accordingly, BMO Capital Markets believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by BMO Capital Markets, without considering all factors and analyses together, could create a misleading view of the process underlying the Formal Valuation and Opinion. The preparation of a valuation and/or opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

OVERVIEW OF THE COMPANY

The Company overview set forth below has been obtained from the Company's public filings or Management, without independent verification by BMO Capital Markets of (and BMO Capital Markets assumes no responsibility for) the accuracy and completeness thereof.

First National is a Canadian-based originator, underwriter and servicer of predominantly prime residential (single-family and multi-unit) and commercial mortgages. With more than $160 billion in mortgages under administration ("**MUA**"), First National is one of Canada's largest non-bank mortgage originators and underwriters.

Founded in 1988, First National is headquartered in Toronto, Ontario and employs more than 1,800 people.

Summary of the Company's Outstanding Securities and Financial Instruments

BMO Capital Markets was provided with the following balances of the outstanding Shares and securities of the Company:

- Common Shares: 59,967,429 Shares outstanding;
- Class A Preference Shares, Series 1: 2,984,835 shares outstanding;
- Class A Preference Shares, Series 2: 1,015,165 shares outstanding;
- November 2025 Senior Unsecured Notes: 200,000 notes outstanding;
- September 2026 Senior Unsecured Notes: 200,000 notes outstanding; and
- November 2027 Senior Unsecured Notes: 200,000 notes outstanding.

Company Historical Financial Information

The following tables summarize the Company's consolidated operating results and balance sheet items for the fiscal years ended December 31, 2023, and December 31, 2024, and the six-month period ended June 30, 2025. The Company provided BMO Capital Markets with a draft version of the consolidated operating results for the fiscal period ended June 30, 2025 prior to the public release on July 29, 2025, which informed BMO Capital Markets' analysis.

All figures in C$ 000s, unless otherwise noted	**Fiscal Year Ended December 31, 2023**	**Fiscal Year Ended December 31, 2024**	**Six-Months Ended June 30, 2025**
Revenue			
Interest Revenue - Securitized Mortgages	$1,336,063	$1,598,544	$833,497
Interest Expense - Securitized Mortgages	($1,119,475)	($1,372,182)	($724,442)
Net Interest - Securitized Mortgages	**$216,588**	**$226,362**	**$109,055**
Placement Fees	$248,313	$209,344	$127,308
Gains on Deferred Placement Fees	$25,307	$14,972	$4,785
Mortgage Investment Income	$139,929	$149,663	$71,278
Mortgage Servicing Income	$252,552	$258,120	$124,651
Realized and Unrealized Gains (Losses) on Financial Instruments	$22,121	($13,666)	($11,326)
Total Revenue	**$904,810**	**$844,795**	**$425,751**
Expenses			
Brokerage Fees	($139,199)	($95,508)	($58,338)
Salaries and Benefits	($200,489)	($229,646)	($125,088)
Interest	($153,407)	($161,681)	($79,472)
Other Operating	($67,808)	($81,310)	($43,639)
Total Expenses	**($560,903)**	**($568,145)**	**($306,537)**
Income Before Income Taxes	**$343,907**	**$276,650**	**$119,214**
Income Tax Expense	($91,100)	($73,260)	($31,290)
Net Income	**$252,807**	**$203,390**	**$87,924**

All figures in C$ 000s, unless otherwise noted	As at December 31, 2023	As at December 31, 2024	As at June 30, 2025
ASSETS			
Restricted Cash	$550,842	$855,809	$942,836
Cash Held as Collateral for Securitization	$151,557	$172,795	$178,816
Accounts Receivable and Sundry	$133,264	$166,856	$194,060
Mortgages Accumulated for Sale or Securitization	$2,583,634	$3,441,028	$3,002,587
Mortgages Pledged Under Securitization	$39,427,192	$43,976,776	$46,530,829
Deferred Placement Fees Receivable	$73,904	$71,176	$67,299
Mortgage and Loan Investments	$270,921	$139,907	$160,058
Securities Purchased Under Resale Agreements	$2,653,376	$2,230,658	$3,223,410
Other Assets	$112,709	$102,136	$98,038
Total Assets	**$45,957,399**	**$51,157,141**	**$54,397,933**
LIABILITIES AND EQUITY			
Liabilities			
Bank Indebtedness	$1,083,000	$1,077,629	$1,202,639
Obligations Related to Securities and Mortgages Sold Under Repurchase Agreements	$1,524,192	$2,375,117	$1,884,174
Accounts Payable and Accrued Liabilities	$285,344	$284,432	$306,561
Securities Sold Short	$2,649,249	$2,233,288	$3,227,292
Debt Related to Securitized Mortgages	$38,880,798	$43,677,981	$46,253,158
Senior Unsecured Notes	$598,745	$598,630	$598,985
Income Taxes Payable	$47,408	$353	$6,681
Deferred Income Tax Liabilities	$150,900	$171,500	$171,900
Total Liabilities	**$45,219,636**	**$50,418,930**	**$53,651,390**
Common Shares	$122,671	$122,671	$122,671
Preferred Shares	$97,394	$97,394	$97,394
Retained Earnings	$477,799	$499,888	$511,114
Accumulated Other Comprehensive Income (Loss)	$39,899	$18,258	$15,364
Total Equity	**$737,763**	**$738,211**	**$746,543**
Total Liabilities and Equity	**$45,957,399**	**$51,157,141**	**$54,397,933**

FORMAL VALUATION OF THE SHARES

Definition of Fair Market Value

For purposes of the Formal Valuation and in accordance with the Rule, "Fair Market Value" means the monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other, where neither party is under any compulsion to act.

In accordance with the Rule, BMO Capital Markets has made no downward adjustment to the Fair Market Value of the Shares to reflect the liquidity of the Shares, the effect of the Transaction on the Shares, or the fact that the Shares held by Shareholders, other than the Rollover Shareholders, do not form part of a controlling interest. A valuation prepared on the foregoing basis is referred to as an *en bloc* valuation.

Approach to Value

The Formal Valuation is based upon techniques and assumptions that BMO Capital Markets considers appropriate in the circumstances for the purposes of arriving at a range of the Fair Market

Value of the Shares. The Fair Market Value of the Shares is expressed on a per Share basis in Canadian dollars.

Management Forecast Overview

Management provided BMO Capital Markets with a set of assumptions, projections and forecasts (the "**Management Forecast**") for the period starting from FY2025E and ending in FY2029E (the "**Forecast Period**"). BMO Capital Markets reviewed the Management Forecast and held multiple discussions with Management to discuss the underlying assumptions. In all discussions, Management confirmed the Management Forecast represented their then-current and best view of the Company's outlook.

The following is a summary of the Management Forecast:

All figures in C$ mm, unless otherwise noted	Forecast				
Fiscal Year Ending December 31	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Net Revenue	**$868**	**$928**	**$968**	**$1,022**	**$1,087**
YoY Growth	*1.2%*	*6.9%*	*4.3%*	*5.6%*	*6.3%*
Adjusted EBITDA[(1)]	**$351**	**$381**	**$418**	**$462**	**$507**
Margin	*40.4%*	*41.0%*	*43.1%*	*45.2%*	*46.7%*
(-) Corporate Interest	($33)	($33)	($33)	($33)	($33)
(-) Depreciation & Amortization	($16)	($16)	($15)	($15)	($15)
(-) Income Taxes	($80)	($88)	($98)	($110)	($121)
Adjusted Reported Net Income	**$222**	**$244**	**$272**	**$305**	**$338**
(-) Preferred Dividends	($3)	($3)	($3)	($3)	($3)
Adjusted Common Net Income	**$219**	**$241**	**$269**	**$302**	**$335**
Margin	*25.2%*	*25.9%*	*27.8%*	*29.6%*	*30.8%*
(+) Non-Cash Charges	$16	$16	$15	$15	$15
(-) Capital Expenditures	($10)	($10)	($11)	($11)	($11)
(-) Mortgage Related Cash Flows[(2)]	($13)	($79)	($91)	($100)	($102)
(-) Working Capital & Leases	($4)	($3)	($3)	($3)	($3)
Free Cash Flow to Common Equity	**$208**	**$164**	**$179**	**$203**	**$234**

1. Includes interest from operational debt and revolver, excludes corporate interest. Excludes realized and unrealized gains / losses on financial instruments.
2. Inclusive of capital needs of the business, composed of the delta between mortgages pledged under securitization and collateral for securitization, restricted cash, repurchase agreements and mortgage loan investments.

While, in the Management Forecast, the draw of revolving credit facility is a periodic source of cash for various purposes, for the purposes of the Formal Valuation, BMO Capital Markets assumed no incremental draws of revolving credit facility throughout the Forecast Period beyond what is required to fund the operations of the business to reflect operating cash flow generation capacity of the Company.

Overview of Valuation Methodologies

BMO Capital Markets considered a number of valuation methodologies to determine the Fair Market Value range for the Shares, including:

I. A comparable trading analysis;
II. A precedent transactions analysis; and
III. A discounted cash flow analysis.

Comparable Trading Analysis

BMO Capital Markets reviewed certain financial information of selected publicly traded companies that it considered relevant, based on BMO Capital Markets' experience and professional judgment and taking into account factors that, for purposes of the analysis, may be considered similar to those of the Company. Mortgage investment companies ("**MICs**") were not considered for the purposes of the analysis due to their non-taxable nature.

Using publicly available financial information, BMO Capital Markets reviewed the price (P) to FY2025E earnings multiples and price to FY2026E earnings multiples based on the mean of research consensus estimates of the selected public companies. The data are summarized below:

Company Name	P / FY25E Earnings	P / FY26E Earnings
	(x)	(x)
Regional Banks		
Laurentian Bank	10.1x	9.0x
Canadian Alternative Mortgage Lenders		
EQB Inc	9.6x	8.3x
Big 6 Canadian Banks		
Royal Bank of Canada	13.6x	12.6x
TD Bank	12.9x	11.9x
Bank of Montreal	13.7x	12.1x
Scotiabank	11.5x	10.1x
CIBC	12.5x	11.8x
National Bank	13.1x	12.5x
Big 6 Canadian Banks Median	**13.0x**	**12.0x**
Consolidated Median	**12.7x**	**11.9x**

Source: Public filings, FactSet

Note: Market data as of July 25, 2025.

In BMO Capital Market's view, none of the selected public companies are identical to First National and these entities may have characteristics that are materially different from those of First National. Accordingly, BMO Capital Markets believed that purely quantitative analyses were not, in isolation, determinative and that qualitative judgments concerning differences between the businesses, financial and operating characteristics and prospects of First National and the selected comparable companies should be considered. In selecting the appropriate multiple range for First National, BMO Capital Markets considered that, among other qualitative factors, First National's business model focuses on predominantly prime residential (single-family and multi-unit) and commercial mortgages, whereas the selected public companies' operations are generally more diversified across several operating segments, beyond mortgages.

Accordingly, BMO Capital Markets relied upon its professional judgment in selecting an appropriate multiple range for the Company. Based on the above, BMO Capital Markets selected a price to FY2025E earnings range of 11.00x – 13.00x and a price to FY2026E earnings range of 10.00x – 12.00x for the Company.

The selected trading multiple range was determined on the basis of the trading values of public companies and therefore does not reflect the value of a controlling interest.

The following table is a summary of the implied values for the Shares resulting from the selection of the foregoing comparable trading multiple ranges:

	P / FY25E Earnings		**P / FY26E Earnings**	
All figures in C$ mm, unless otherwise noted	**Low**	**High**	**Low**	**High**
Applicable Earnings	$219	$219	$241	$241
Selected Multiple	11.0x	13.0x	10.0x	12.0x
Implied Equity Value	**$2,412**	**$2,851**	**$2,408**	**$2,889**
Fully Diluted Shares Outstanding	60.0	60.0	60.0	60.0
Implied Value per Share	**$40.23**	**$47.54**	**$40.15**	**$48.18**

Based on the comparable trading analysis, on the basis of price to FY2025E earnings and the Management Forecast, the implied reference range for the Shares is $40.23 – $47.54.

Based on the comparable trading analysis, on the basis of price to FY2026E earnings and the Management Forecast, the implied reference range for the Shares is $40.15 – $48.18.

Precedent Transactions Analysis

BMO Capital Markets performed an analysis of price to last twelve months ("**LTM**") earnings multiples paid in selected precedent transactions. The selected precedent transactions consist of Canadian banks & trusts transactions announced in the last 15 years and were chosen by BMO Capital Markets based on BMO Capital Markets' experience and professional judgment, taking into account, among other factors, the business and financial characteristics of the target companies as well as the availability of publicly disclosed financial metrics with respect to the transactions and the target companies.

A summary of the precedent transactions reviewed is presented below:

Date	Acquirer	Target	P / LTM Earnings
Canadian Banks and Trusts			(x)
11-Jun-24	National Bank of Canada	Canadian Western Bank	15.0x
29-Nov-22	Royal Bank of Canada	HSBC Canada	18.8x
21-Nov-22	Smith Financial Corporation	Home Capital Group	9.5x
07-Feb-22	Equitable Bank	Concentra Bank	10.9x
17-Jun-19	RFA Capital	Street Capital Group	nmf [(1)]
29-Aug-12	Scotiabank	ING Bank of Canada	16.3x
06-Jun-12	B2B Trust (Laurentian Bank)	AGF Trust	8.9x
30-Mar-12	Birch Hill Equity Partners	HOMEQ Corp.	18.2x
02-Sep-11	B2B Trust (Laurentian Bank)	MRS Trust and MRS Inc.	nmf [(1)]
Median			**15.0x**

Source: Company filings, OSFI, street research

1. Denotes negative multiples or extraordinarily large multiples deemed not meaningful ("nmf") for the purposes of the analysis.

BMO Capital Markets had also considered Canadian mortgage origination and servicing transactions, including the acquisitions of CMLS Financial, Brightpath Capital and Paradigm Quest, but noted that transaction multiples for these transactions were not publicly disclosed.

While none of the selected precedent transactions reviewed were considered directly comparable to the Transaction, BMO Capital Markets relied upon its professional judgment in selecting an appropriate multiple range for the Company. Based on the above, BMO Capital Markets selected a price to LTM earnings multiple range of 13.0x – 15.0x for the Company.

BMO Capital Markets elected to apply the selected multiple range to the Company's LTM net income attributable to common shareholders adjusted for realized and unrealized gains / losses on financial instruments as of June 30, 2025.

The following table is a summary of the implied values for the Shares resulting from the selection of the foregoing precedent transaction multiple range:

	P / LTM Earnings	
All figures in C$ mm, unless otherwise noted	**Low**	**High**
Applicable Earnings	$203	$203
Selected Multiple	13.0x	15.0x
Implied Equity Value	**$2,638**	**$3,044**
Fully Diluted Shares Outstanding	60.0	60.0
Implied Value per Share	**$43.99**	**$50.76**

Based on the precedent transactions analysis, the implied reference range for the Shares is $43.99 – $50.76.

Discounted Cash Flow ("**DCF**") Methodology

A discounted cash flow analysis requires that certain assumptions be made regarding, among other things, future free cash flows to Shares, discount rates and terminal values. BMO Capital Markets' discounted cash flow analysis involved discounting to July 25, 2025, (i) the estimated value of the free cash flows to Shares (net of preferred dividends) projected in the Management Forecast during the Forecast Period, (ii) the terminal value determined as of December 31, 2029 for free cash flows to Shares after December 31, 2029, (iii) 50% of estimated public company savings (as described below), and (iv) 50% of incremental free cash flows from other synergies (as described below).

*Discount R*ate

A range of discount rates for the DCF analysis was determined based on BMO Capital Markets' estimated cost of equity for First National.

BMO Capital Markets used the capital asset pricing model ("**CAPM**") approach to determine an appropriate cost of equity. The CAPM approach calculates the cost of equity with reference to the risk-free rate of return, the risk of equity relative to the market ("**beta**") and a market equity risk premium. BMO Capital Markets additionally applied a size premium to the cost of equity. In selecting an appropriate beta range, BMO Capital Markets reviewed a range of betas for the Company and the selected public company peers used as references (as described above). The selected unlevered beta range was re-levered using First National's current capital structure and was applied in the CAPM approach to calculate the cost of equity. The assumptions used by BMO Capital Markets in estimating the cost of equity for the Company are as follows:

	Low	**High**
Selected Betas	$\beta u = 1.00$	$\beta u = 1.20$
Nominal Risk Free Rate (Yield on 10-Year Canadian Government Bond)	3.53%	3.53%
Equity Risk Premium	5.75%	5.75%
Size Premium	0.49%	0.49%
Selected Unlevered Beta	1.00	1.20
Optimal Debt in Capital Structure	21.5%	21.5%
Levered Beta	1.20	1.44
Cost of Equity	**10.93%**	**12.31%**
Selected Cost of Equity	**10.75%**	**12.25%**

Source: Public filings, Bloomberg, FactSet

Note: Market data as of July 25, 2025.

Based on the foregoing, BMO Capital Markets selected 10.75% – 12.25% as the appropriate discount rate range to be used in the DCF analysis.

Terminal Value

BMO Capital Markets calculated the terminal value for First National by applying perpetual free cash flow growth rates to the free cash flows to Shares in the terminal year. The perpetual growth rate range used to calculate the terminal value was 3.25% – 3.75%. In selecting this range of growth rates, BMO Capital Markets took into account such rate being a nominal rate, the outlook for long-term inflation and growth prospects for First National beyond the terminal year.

Benefits of Acquiring 100% of Shares

BMO Capital Markets reviewed and considered whether any material value could accrue to a purchaser through the acquisition of 100% of the Shares. BMO Capital Markets considered two scenarios: (i) an acquisition of 100% of the Company by any party via an arm's-length transaction, and (ii) the Transaction. BMO Capital Markets considered material value that might be derived as a result of: (i) savings of direct costs resulting from the Company no longer being a publicly listed entity; and (ii) revenue enhancement opportunities that, in each case, may be available to potential purchasers of the Company.

Implication of Synergies for the Formal Valuation and Opinion

Based upon discussions with Management, BMO Capital Markets understood and concluded that the amount of synergies that could be realized by a potential purchaser of the Company would include A) the elimination of public company costs; and B) the potential to increase free cash flows from other synergies, as described below:

A. Public Cost Savings

Management estimated that these cost savings would be in the quantum of $2 million per annum on a run-rate basis. The forecast assumes these cost savings would be achieved 50% ($1 million) in FY2025E and 100% ($2 million) thereafter, as summarized below:

All figures in C$ mm, unless otherwise noted	Forecast				
Fiscal Year Ending December 31	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Incremental Free Cash Flow (Pre-Tax).....	$1.0	$2.0	$2.0	$2.0	$2.0
**Incremental Free Cash Flow (Post-Tax)..... **	**$0.7**	**$1.5**	**$1.5**	**$1.5**	**$1.5**

For the purposes of the Formal Valuation and Opinion, BMO Capital Markets assumed that a purchaser of First National would be willing to pay for 50% of the value of these synergies in an open auction of First National. BMO Capital Markets has reflected this amount into its DCF analysis.

B. Other Synergies

Based on consultation with Management, BMO Capital Markets understood that the incremental free cash flows from other synergies realizable by a potential purchaser is estimated to be as follows:

All figures in C$ mm, unless otherwise noted	Forecast				
Fiscal Year Ending December 31	**2025E**	**2026E**	**2027E**	**2028E**	**2029E**
Incremental Free Cash Flow (Pre-Tax).....	$6.1	$12.8	$14.5	$15.8	$17.0
**Incremental Free Cash Flow (Post-Tax)..... **	**$4.5**	**$9.4**	**$10.7**	**$11.6**	**$12.5**

For the purposes of the Formal Valuation and Opinion, BMO Capital Markets assumed that a purchaser of First National would be willing to pay for 50% of the value of these synergies in an open auction of First National. BMO Capital Markets has reflected this amount, net of the estimated costs to achieve such synergies, into its DCF analysis.

Sensitivity Analysis

As part of the DCF analysis, BMO Capital Markets did not rely on any single series of projected free cash flows to Shares, but performed a variety of sensitivity analyses using the aforementioned base case free cash flows to Shares. Variables sensitized included select operating metrics,

discount rates and terminal value assumptions. The results of these sensitivity analyses are reflected in our judgment as to the appropriate values resulting from the DCF approach.

Summary of Discounted Cash Flow Analysis

The following matrix summarizes the range of implied values per Share based on the analysis undertaken through the DCF approach by BMO Capital Markets.

	Low	High
Discount Rate	**12.25%**	**10.75%**
Perpetuity Growth Rate	**3.75%**	**3.25%**
Equity Value	**$2,545**	**$2,916**
Fully Diluted Shares Outstanding	60.0	60.0
Implied Value per Share	**$42.44**	**$48.63**

FORMAL VALUATION SUMMARY AND CONCLUSION

The following is a summary of the implied reference ranges of the Shares resulting from the valuation methodologies employed:

	Summary Implied Value per Share Ranges	
All figures in C$	**Low**	**High**
Comparable Trading Analysis (P / 2025E Earnings)	$40.23	$47.54
Comparable Trading Analysis (P / 2026E Earnings)	$40.15	$48.18
Precedent Transactions Analysis (P / LTM Q2-25 Earnings)	$43.99	$50.76
Discounted Cash Flow Analysis	$42.44	$48.63
Selected Fair Market Value Range	**$44.00**	**$50.00**

In arriving at the Fair Market Value of the Shares, BMO Capital Markets did not attribute specific quantitative weight to any particular valuation methodology. BMO Capital Markets made qualitative determinations based upon BMO Capital Markets' experience and professional judgment and on prevailing circumstances as to the significance and relevance of each valuation methodology.

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as at July 27, 2025, the Fair Market Value of the Shares, determined on an *en bloc* basis as required under the Rule, is in the range of $44.00 to $50.00 per Share.

APPROACH TO FAIRNESS

In considering the fairness, from a financial point of view, of the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Transaction, BMO Capital Markets reviewed, considered and relied upon or carried out, among other things, the following:

- a comparison of the Consideration offered pursuant to the Transaction to the Fair Market Value range of the Shares determined in the Formal Valuation; and
- such other information, investigations and analysis as BMO Capital Markets, in the exercise of its professional judgment, considered necessary or appropriate in the circumstances.

FAIRNESS OPINION CONCLUSION

Based upon and subject to the foregoing, and such other matters considered relevant, BMO Capital Markets is of the opinion that, as at the date hereof, the Consideration to be received by the Shareholders (other than the Rollover Shareholders) pursuant to the Transaction is fair, from a financial point of view, to the Shareholders (other than the Rollover Shareholders).

Yours very truly,

BMO Nesbitt Burns Inc.

BMO Nesbitt Burns Inc.

APPENDIX "F"

NOTICE OF APPLICATION FOR THE FINAL ORDER

(*See attached.*)

Court File No.

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF an application under section 182 of *the Business Corporations Act*, R.S.O. 1990, c. B.16, as amended

AND IN THE MATTER OF a proposed arrangement of First National Financial Corporation

FIRST NATIONAL FINANCIAL CORPORATION

Applicant

NOTICE OF APPLICATION

TO THE RESPONDENTS:

A LEGAL PROCEEDING HAS BEEN COMMENCED by the Applicant. The claim made by the Applicant appears on the following pages.

THIS APPLICATION will come on for a hearing

In person

By telephone conference

X By video conference at a Zoom videoconference link,

on October 3, 2025 at 10:00 am or as soon after that time as the application may be heard.

IF YOU WISH TO OPPOSE THIS APPLICATION, to receive notice of any step in the application or to be served with any documents in the application, you or an Ontario lawyer acting for you must forthwith prepare a notice of appearance in Form 38A prescribed by the Rules of Civil Procedure, serve it on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in this court office, and you or your lawyer must appear at the hearing.

IF YOU WISH TO PRESENT AFFIDAVIT OR OTHER DOCUMENTARY EVIDENCE TO THE COURT OR TO EXAMINE OR CROSS-EXAMINE WITNESSES ON THE APPLICATION, you or your lawyer must, in addition to serving your notice of appearance, serve a copy of the evidence on the applicant's lawyer or, where the applicant does not have a lawyer, serve it on the applicant, and file it, with proof of service, in the court office where the application is to be heard as soon as possible, but at least four days before the hearing.

IF YOU FAIL TO APPEAR AT THE HEARING, JUDGMENT MAY BE GIVEN IN YOUR ABSENCE AND WITHOUT FURTHER NOTICE TO YOU. IF YOU WISH TO OPPOSE THIS APPLICATION BUT ARE UNABLE TO PAY LEGAL FEES, LEGAL AID MAY BE AVAILABLE TO YOU BY CONTACTING A LOCAL LEGAL AID OFFICE.

Date August 11, 2025 Issued by _____
Local Registrar

Address of court office: 330 University Avenue, 9th Floor
Toronto, Ontario
M5G 1R7 Canada

TO: REGAL BIDCO INC.

AND TO: THE DIRECTORS AND THE AUDITOR OF FIRST NATIONAL FINANCIAL CORPORATION

AND TO: THE DIRECTOR APPPOINTED PURSUANT TO THE *BUSINESS CORORATIONS ACT* (ONTARIO), R.S.O. 1990, c. B.16, as amended

AND TO: HOLDERS OF THE SECURITIES OF FIRST NATIONAL FINANCIAL CORPORATION

APPLICATION

1. The Applicant, First National Financial Corporation ("First National"), makes application for:

   (a) an interim order for advice and directions pursuant to section 182(5) of the *Business Corporations Act*, R.S.O. 1990, c. B.16, as amended (the "OBCA") with respect to a proposed arrangement (the "Arrangement") involving First National and Regal Bidco Inc. (the "Purchaser");

   (b) a final order approving the Arrangement pursuant to section 182(3) of the OBCA;

   (c) to the extent necessary, an Order abridging the time for service and filing, or dispensing with or validating service, of this Application and materials related thereto; and

   (d) such further and other relief as this Court may allow.

2. The grounds for the application are:

   (a) First National is incorporated under the OBCA and its head and registered office is located in Toronto;

   (b) First National is a reporting issuer under applicable Canadian securities laws. Its share capital consists of common shares (the "Shares") and preferred shares. The Shares and preferred shares trade on the Toronto Stock Exchange;

   (c) the Purchaser is an entity controlled by private equity funds managed by Birch Hill Equity Partners Management Inc. ("Birch Hill") and private equity funds managed by Brookfield Capital Partners Ltd. ("Brookfield"). It is a newly-created acquisition vehicle for the purposes of the Arrangement;

(d) pursuant to the Arrangement, among other things, the Purchaser will acquire all the issued and outstanding Shares of First National for $48.00 per Share, other than certain Shares (the "Rollover Shares") held indirectly by First National's founders, Stephen Smith and Moray Tawse;

(e) upon completion of the Arrangement, Messrs. Smith and Tawse are each expected to maintain an indirect approximate 19% interest in First National, with Birch Hill and Brookfield holding the remaining approximate 62%;

(f) the issued and outstanding preferred shares of First National will remain outstanding in accordance with their terms following the completion of the Arrangement. The preferred shares will continue to be listed on the TSX and, as a result, First National will continue to be a reporting issuer following closing of the Arrangement;

(g) First National has senior unsecured notes outstanding. To the extent outstanding at the time of the closing of the Arrangement, the notes will be redeemed as part of the Arrangement for the applicable redemption price, plus accrued and unpaid interest, as of the closing of the Arrangement, in accordance with the terms of the notes;

(h) the Arrangement is an "arrangement" within the meaning of section 182(1) of the OBCA;

(i) the Arrangement is in the best interests of First National and is being put forward in good faith;

(j) the Arrangement is procedurally and substantively fair and reasonable;

(k) all pre-conditions to the approval of the Arrangement by the Court are expected to have been satisfied prior to the hearing of this Application, including approval of the Arrangement by Shareholders;

(l) all statutory requirements under the OBCA and any interim order have been or are expected to be satisfied prior to hearing of this Application;

(m) section 182 of the OBCA;

(n) rules 1.04, 1.05, 2.03, 3.02, 14 and 38 of the *Rules of Civil Procedure*; and

(o) such further and other grounds as counsel may advise and this Honourable Court may permit.

3. The following documentary evidence will be used at the hearing of the application:

(a) an affidavit of a representative of First National, to be sworn; and

(b) such further and other material as counsel may advise and this Court may permit.

August 11, 2025

TORYS LLP
79 Wellington Street West
Toronto, Ontario
M5X 1A4 Canada

Andrew Gray
Tel: 416.865.7630
Fax: 416.865.7380
agray@torys.com

Lawyers for the Applicant,
First National Financial Corporation

Court File No. .

IN THE MATTER OF A PROPOSED ARRANGEMENT of First National Financial Corporation

First National Financial Corporation
Applicant

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at Toronto

NOTICE OF APPLICATION

TORYS LLP
79 Wellington Street West
Toronto, Ontario
M5X 1A4 Canada

Andrew Gray
Tel: 416.865.7630
Fax: 416.865.7380
agray@torys.com

Lawyers for the Applicant,
First National Financial Corporation

QUESTIONS MAY BE DIRECTED TO FIRST NATIONAL'S PROXY SOLICITATION AGENT

North America Toll Free:
1-877-452-7184

Collect Calls Outside North America:
416-304-0211

Email:
assistance@laurelhill.com