

A copy of this preliminary prospectus supplement has been filed with the securities regulatory authorities in each of the provinces and territories of Canada but has not yet become final for the purpose of the sale of securities. The information in this preliminary prospectus supplement may not be complete and may have to be amended. This preliminary prospectus supplement together with the short form base shelf prospectus to which it relates is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

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

This prospectus supplement, together with the short form base shelf prospectus to which it relates, as amended or supplemented, and the documents incorporated or deemed to be incorporated by reference therein, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

The securities offered hereby have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "1933 Act") or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the 1933 Act) except in reliance on an exemption from the registration requirements of the 1933 Act or in another transaction exempt from, or not subject to, the registration requirements of the 1933 Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States.

Information has been incorporated by reference in this prospectus supplement from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Senior Vice President, General Counsel and Secretary of Sagen MI Canada Inc. at 2060 Winston Park Drive, Suite 300, Oakville, Ontario L6H 5R7 (telephone 905-287-5484) and are also available electronically at www.sedar.com.

Subject to Completion, Dated March 16, 2021

**Preliminary Prospectus Supplement
To a Short Form Base Shelf Prospectus dated January 12, 2021**

New Issue

March 16, 2021

SAGEN MI CANADA INC.

\$●

●% Fixed-to-Fixed Rate Subordinated Notes Series 2021-1 due March ●, 2081

This prospectus supplement (the "**Prospectus Supplement**") qualifies the distribution (the "**Offering**") of \$● aggregate principal amount of ●% Fixed-to-Fixed Rate Subordinated Notes Series 2021-1 due March ●, 2081 (the "**Notes**") of Sagen MI Canada Inc. (the "**Company**") which are automatically convertible into a newly-issued series of preferred shares in the capital of the Company ("**Preferred Shares**"), designated as Preferred Shares, Series 2021-A (the "**Conversion Preferred Shares**") in certain circumstances. The certificate(s) representing the Notes will be dated March ●, 2021. The Notes will mature on March ●, 2081 (the "**Maturity Date**").

Interest on the Notes will be payable semi-annually in equal instalments in arrears on March ● and September ● in each year commencing September ●, 2021, until the date the Notes are repaid (each such semi-annual interest payment date an "**Interest Payment Date**"). The Notes will be issued in denominations of \$1,000 and integral multiples thereof. From the date of issue to, but excluding, March ●, 2031, the Notes will bear interest at a fixed rate of ●% per annum, with the initial interest payment, payable on September●, 2021, being \$● per \$1,000 principal amount of Notes, based on an anticipated issue date of March ●, 2021. From and including March ●, 2031, and on every fifth anniversary thereafter (being March ● of the applicable year) during which the Notes are outstanding (each such date, an "**Interest Reset Date**"), the interest rate on the Notes will be reset at a fixed rate per annum equal to the 5-Year Government of Canada Yield (as hereinafter defined) on the business day prior to such Interest Reset Date, plus (i) for the period from, and including, March ●, 2031 to, but excluding, March ●, 2051, ●%; and (ii) for the period from, and including, March ●, 2051 to, but excluding, the Maturity Date, ●%, in each case, to be reset on each Interest Reset Date. So long as no Event of Default (as defined herein) has occurred and is continuing, the Company may elect, in its sole option, at any date other than an Interest Payment Date, to defer the interest payable on the Notes on one or more occasions for a period of up to five consecutive years (a "**Deferral Period**"). Deferred interest will accrue, compounding on each subsequent Interest Payment Date, until paid. No Deferral Period may extend beyond the Maturity Date and, for greater certainty, all accrued and unpaid interest shall be due and payable at maturity. See "*Description of the Notes*".

The Notes, including accrued and unpaid interest (including deferred interest, as applicable) thereon, will be converted automatically (an "**Automatic Conversion**"), without the consent of the holders thereof, into Conversion Preferred Shares upon the occurrence of an Automatic Conversion Event (as hereinafter defined). As the events that give rise to an Automatic Conversion are bankruptcy and certain related events, it is in the Company's interest to ensure that an Automatic Conversion does not occur, although the events that could give rise to an Automatic Conversion may be beyond the Company's control.

The Notes are not redeemable at the option of the Company prior to March ●, 2026. On or after March ●, 2026, the Company may, at its option, redeem the Notes on not less than 10 and not more than 60 days' prior notice to the registered holder(s) of the Notes, and upon such conditions as may be specified in the applicable notice of redemption, in whole or in part on any Interest Reset Date or any Interest Payment Date at a redemption price of (i) 104% of the principal amount thereof if redeemed on or after March ●, 2026 but prior to March ●, 2027, (ii) 103% of the principal amount thereof if redeemed on or after March ●, 2027 but prior to March ●, 2028, (iii) 102% of the principal amount thereof if redeemed on or after March ●, 2028 but prior to March ●, 2029, (iv) 101% of the principal amount thereof if redeemed on or after March ●, 2029 but prior to March ●, 2030, and (v) 100% of the principal amount thereof if redeemed on or after March ●, 2030, in each case, together with accrued and unpaid interest (including deferred interest, as applicable) to, but excluding, the date fixed for redemption. See "*Description of the Notes – Redemption – Optional Redemption*".

Within 90 days following the occurrence of a Tax Event (as hereinafter defined), the Company may, at its option, on not less than 10 and not more than 60 days' prior notice to the registered holder(s) of the Notes, redeem all (but not less than all) of the Notes at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including deferred interest, as applicable) to, but excluding, the date fixed for redemption. Within 90 days following the occurrence of a Rating Event (as hereinafter defined), the Company may, at its option, on not less than 10 and not more than 60 days' prior notice to the registered holder(s) of the Notes, redeem all (but not less than all) of the Notes at a redemption price equal to 102% of the principal amount thereof, together with accrued and unpaid interest (including deferred interest, as applicable) to, but excluding, the date fixed for redemption. If there is a Tax Event or Rating Event during a period when the Notes can be optionally redeemed, the Company may optionally redeem the Notes in accordance with its optional redemption right described above instead of its Tax Event redemption right or Rating Event redemption right, as applicable. The Notes are also subject to mandatory redemption by the Company, in whole, upon the occurrence of a Triggering Event (as defined herein) on notice and at the redemption price prescribed in the Sixth Series Supplement (as defined herein). See "*Description of the Notes – Redemption – Mandatory Redemption*".

In cases of partial redemption, the Notes to be redeemed will be selected by the Trustee (as defined herein) *pro rata* or in such other manner as it shall deem appropriate. Any Notes that are redeemed by the Company will be cancelled and will not be re-issued. See "*Description of the Notes*".

The Notes will not be listed on any securities exchange or quotation system and, consequently, there is no market through which the Notes may be sold and purchasers may not be able to resell the Notes purchased under this Prospectus Supplement. This may affect the pricing of the Notes in the secondary market, the transparency and availability of trading prices, the liquidity of the Notes, and the extent of issuer regulation. See "*Risk Factors*".

The Notes will be direct, unsecured and subordinated obligations of the Company and the payment of principal and interest on the Notes, to the extent provided in the Trust Indenture (as defined herein) and the Sixth Series Supplement, will be subordinated in right of payment to the prior payment in full of all present and future Senior Indebtedness (as defined herein), and will be effectively subordinated to all indebtedness and obligations of the Company's Subsidiaries (as defined herein).

	<u>Price to the Public</u>	<u>Agents' Fee</u>	<u>Net Proceeds to the Company⁽¹⁾⁽²⁾</u>
Per \$1,000 principal amount of Notes	\$●	\$● (●%)	\$● (●%)
Total	\$●	\$● (●%)	\$● (●%)

Notes:

- (1) Plus accrued interest, if any, from March ●, 2021 to the date of delivery.
- (2) Before deduction of expenses of the Offering payable by the Company which are estimated to be approximately \$● and which will be paid from the proceeds of the Offering. See "*Plan of Distribution*".

The effective yield of the Notes if held to maturity is ●% per annum.

RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., and TD Securities Inc. (collectively, the "**Agents**"), as agents, conditionally offer the Notes for sale, on a best efforts basis, subject to prior sale, if, as and when issued by the Company and accepted by the Agents in accordance with the conditions contained in the Agency Agreement referred to under "*Plan of Distribution*", and subject to approval of certain legal matters on behalf of the Company by Blake, Cassels & Graydon LLP, and on behalf of the Agents by Stikeman Elliott LLP. See "*Plan of Distribution*". **There is no minimum amount of funds that must be raised under the Offering. This means that the Company could complete the Offering raising only a small proportion of the Offering amount set out above.**

RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., and TD Securities Inc. are indirect, wholly-owned subsidiaries of affiliates of Canadian chartered banks, which are customers of the Company. RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., and TD Securities Inc. are also affiliates of Canadian chartered banks that are members of the lending syndicate to the Company under a \$500 million credit facility (the "Credit Facility") composed of a senior unsecured revolver of \$300 million and a \$200 million term loan (the "Term Loan"). Affiliates of RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., and TD Securities Inc. are also parties to ISDA agreements with the Company and in the ordinary course of their various business activities may enter into certain derivative, swap or other arrangements with the Company or its subsidiaries from time to time. Scotia Capital Inc. was retained by the special committee of the Board of Directors of the Company (the "Board") in connection with the Arrangement (as defined herein) to provide an independent, formal valuation in accordance with the requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101") and to deliver a fairness opinion. Accordingly, the Company may be considered to be a "connected issuer" of RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., and TD Securities Inc. within the meaning of applicable securities legislation. See "*Relationship between the Company and the Agents*".

The Company has been advised by the Agents that, in connection with the Offering and subject to applicable laws, the Agents may effect transactions intended to stabilize or maintain the market price of the Notes at levels other than those which might otherwise prevail on the open market in accordance with the market stabilization rules. Such transactions, if commenced, may be discontinued at any time. See "*Plan of Distribution*".

Subscriptions for Notes will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. Book-entry only certificates representing the Notes will be issued in registered form only to CDS Clearing and Depository Services Inc. ("**CDS**"), or its nominee, and will be deposited with CDS on closing of the Offering, which is expected to take place on March ●, 2021 or such later date as may be agreed upon by the Company and the Agents, but not later than ●, 2021 (the "**Closing Date**"). A purchaser of the Notes will receive only a customer confirmation from the registered dealer who is a CDS participant and from or through whom the Notes are purchased. See "*Description of the Notes – Depository Services*".

As at December 31, 2020, the Company had total current assets and total assets of approximately \$7.2 billion and \$7.5 billion, respectively. The Company's registered and head office is located at 2060 Winston Park Drive, Suite 300, Oakville, Ontario L6H 5R7.

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In this Prospectus Supplement, unless otherwise indicated, capitalized terms which are defined in the accompanying short form base shelf prospectus of the Company dated January 12, 2021 (the “**Prospectus**”) are used herein with the meanings defined therein. Unless otherwise specified, all references to currency amounts in this Prospectus Supplement are to Canadian dollars.

ELIGIBILITY FOR INVESTMENT

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and Stikeman Elliott LLP, counsel to the Agents, provided that a class of shares of the Company is listed on a designated stock exchange in Canada (which includes the Toronto Stock Exchange) for the purposes of the *Income Tax Act* (Canada) and the regulations thereunder (the “**Tax Act**”), the Notes offered by this Prospectus Supplement, if issued on the date hereof, would be on such date qualified investments under the Tax Act for a trust governed by a registered retirement savings plan (“**RRSP**”), a registered retirement income fund (“**RRIF**”), a registered education savings plan (“**RESP**”), a deferred profit sharing plan (other than a deferred profit sharing plan to which contributions are made by the Company or by an employer with which the Company does not deal at arm’s length within the meaning of the Tax Act), a registered disability savings plan (“**RDSP**”) or a tax-free savings account (“**TFSA**”).

Notwithstanding the foregoing, if the Notes are a “prohibited investment” for the purposes of a TFSA, RRSP, RRIF, RESP or RDSP, the holder of such TFSA or RDSP, the annuitant of such RRSP or RRIF or the subscriber of such RESP, as the case may be, will be subject to a penalty tax as set out in the Tax Act. The Notes will not be a prohibited investment for a TFSA, RRSP, RRIF, RESP or RDSP provided the holder, annuitant or subscriber thereof, as the case may be, (i) deals at arm’s length with the Company, for purposes of the Tax Act and (ii) does not have a “significant interest” (as defined in the Tax Act) in the Company. Prospective purchasers who intend to hold Notes in a TFSA, RRSP, RRIF, RESP or RDSP are advised to consult their own tax advisors.

CAUTION REGARDING FORWARD-LOOKING INFORMATION AND STATEMENTS

Certain statements made or incorporated by reference in this Prospectus Supplement contain forward-looking information within the meaning of applicable securities laws (“**forward-looking statements**”). When used in this Prospectus Supplement, the words “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “seek”, “propose”, “estimate”, “expect”, and similar expressions as they relate to the Company are intended to identify forward-looking statements. Specific forward-looking statements in this document include, but are not limited to, statements with respect to: the impact of any potential guideline changes by the Office of the Superintendent of Financial Institutions or legislative changes introduced in connection with the *Protection of Residential Mortgage or Hypothecary Insurance Act* (Canada); the effect of changes to the mortgage insurance rules, including government guarantee mortgage eligibility rules; the impact of the COVID-19 pandemic on the economy and the Company’s business; the expected closing date of the Arrangement; the satisfaction or waiver of conditions to closing of the Arrangement; Brookfield’s (as defined herein) ownership or control over the Common Shares (as defined herein) following the Arrangement; the changes to the Company’s articles as a result of the Articles of Arrangement (as defined herein); the timing and details regarding the Share Exchange (as defined herein); the intended source of funds for any redemption of the Notes; the terms and conditions of the Conversion Preferred Shares; the Company’s beliefs as to housing demand and home price appreciation, key macroeconomic factors and unemployment rates; the Company’s beliefs regarding its market share; the Company’s future operating and financial results; the operating range for the Company’s expense ratio; expectations regarding premiums written, capital expenditure plans, dividend policy and the ability to execute on its future operating, investing and financial strategies; the Company’s expectations regarding its loss ratio, the effect of its loss mitigation programs and the transition for mortgage payment deferrals; the Company’s focus on balancing capital strength and capital efficiency following the Arrangement; the closing of the Offering; the intended use of the net proceeds of the Offering; and the expenses of the Offering.

The forward-looking statements contained or incorporated by reference herein are based on certain factors and assumptions, certain of which appear proximate to the applicable forward-looking statements contained or incorporated by reference herein. Inherent in the forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company’s ability to control or predict, that may cause the actual results, performance or achievements of the Company, or developments in the Company’s business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by

such forward-looking statements. Actual results or developments may differ materially from those contemplated by the forward-looking statements.

The Company's actual results and performance could differ materially from those anticipated in these forward-looking statements as a result of both known and unknown risks, including: the continued availability of the Canadian government's guarantee of private mortgage insurance on terms satisfactory to the Company; the Company's expectations regarding its revenues, expenses and operations; the Company's plans to implement its strategy and operate its business; the Company's expectations regarding the compensation of directors and officers; the Company's anticipated cash needs and its estimates regarding its capital expenditures, capital requirements, reserves and its needs for additional financing; the Company's plans for and timing of expansion of service and products; the Company's ability to accurately assess and manage risks associated with the policies that are written; the Company's ability to accurately manage market, interest and credit risks; the Company's ability to maintain ratings, which may be affected by the ratings of its majority shareholder, Brookfield; interest rate fluctuations; a decrease in the volume of high loan-to-value mortgage originations; the cyclical nature of the mortgage insurance industry; changes in government regulations and laws mandating mortgage insurance; the acceptance by the Company's lenders of new technologies and products; the Company's ability to attract lenders and develop and maintain lender relationships; the Company's competitive position and its expectations regarding competition from other providers of mortgage insurance in Canada; anticipated trends and challenges in the Company's business and the markets in which it operates; changes in the global or Canadian economies; a decline in the Company's regulatory capital or an increase in its regulatory capital requirements; loss of members of the Company's senior management team; potential legal, tax and regulatory investigations and actions; the failure of the Company's computer systems or potential cyber threats; and potential conflicts of interest between the Company and its majority shareholder, Brookfield.

This is not an exhaustive list of the factors that may affect any of the Company's forward-looking statements. Some of these and other factors are discussed in more detail in the annual information form of Genworth MI Canada Inc. dated March 11, 2020 (the "AIF") and herein under the heading "*Risk Factors*". Investors and others should carefully consider these and other factors and not place undue reliance on the forward-looking statements. Further information regarding these and other risk factors is included in the Company's public filings with provincial and territorial securities regulatory authorities (including the AIF) and can be found on the System for Electronic Document Analysis and Retrieval website at www.sedar.com. The forward-looking statements contained or incorporated by reference in this Prospectus Supplement represent the Company's views only as of the date hereof. Forward-looking statements contained or incorporated by reference in this Prospectus Supplement are based on management's current plans, estimates, projections, beliefs and opinions and the assumptions related to these plans, estimates, projections, beliefs and opinions may change, and are presented for the purpose of assisting the Company's security holders in understanding management's current views regarding those future outcomes and may not be appropriate for other purposes. While the Company anticipates that subsequent events and developments may cause the Company's views to change, the Company does not undertake to update any forward-looking statements, except to the extent required by applicable securities laws.

IFRS AND NON-IFRS MEASURES

The Company's consolidated financial statements incorporated by reference in this Prospectus Supplement have been prepared in accordance with International Financial Reporting Standards ("**IFRS**"). To supplement the Company's consolidated financial statements, which are prepared in accordance with IFRS, the Company uses certain non-IFRS financial measures to analyze performance. Such non-IFRS financial measures used by the Company to analyze performance include, among others, net operating income (excluding fee on early redemption of debt, as applicable), operating investment income, interest and dividend income, net of investment expenses, operating earnings per Common Share (basic) and operating earnings per Common Share (diluted). Other non-IFRS financial measures used by the Company to analyze performance for which no comparable IFRS measure is available include outstanding insured mortgage balances, new insurance written, loss ratio, expense ratio, combined ratio, operating return on equity, investment yield, Mortgage Insurer Capital Adequacy Test ratio and delinquency ratio on outstanding insured mortgage balances. The Company believes that these non-IFRS financial measures provide meaningful supplemental information regarding its performance and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational

decision making. Non-IFRS financial measures do not have standardized meanings and are unlikely to be comparable to any similar measures presented by other companies.

See the “Non-IFRS financial measures” section at the end of the MD&A (as defined herein), incorporated by reference into this Prospectus, for a reconciliation of such non-IFRS measures to their most closely applicable IFRS measures. Definitions of key non-IFRS financial measures and explanations of why these measures are useful to investors and management can be found in the “Non-IFRS financial measures glossary” in the “Non-IFRS financial measures” section at the end of the MD&A. The information on our website is not part of this Prospectus Supplement and is not incorporated by reference herein.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference into the Prospectus solely for the purpose of the Offering.

The following documents, filed with the securities commission or similar authority in each of the provinces and territories of Canada are specifically incorporated by reference into and form an integral part of this Prospectus Supplement:

- (a) the AIF;
- (b) the audited consolidated financial statements of Genworth MI Canada Inc. as at and for the years ended December 31, 2020 and 2019 and the reports of the auditors thereon;
- (c) the management’s discussion and analysis of Genworth MI Canada Inc. for the fourth quarter and year ended December 31, 2020 (the “**MD&A**”);
- (d) the management information circular dated April 16, 2020 with respect to the annual meeting of shareholders of Genworth MI Canada Inc. held on June 3, 2020;
- (e) the management information circular dated November 20, 2020 with respect to the special meeting of shareholders of Genworth MI Canada Inc. held on December 22, 2020 (the “**Special Meeting Circular**”);
- (f) the material change report of Genworth MI Canada Inc. dated October 28, 2020 in respect of the Arrangement;
- (g) the “template version” (as such term is defined in National Instrument 41-101 — *General Prospectus Requirements*) of the investor presentation dated February 26, 2021 (the “**Investor Presentation**”), a copy of which is attached as Appendix A to this Prospectus Supplement; and
- (h) the “template version” of the indicative term sheet dated March 16, 2021 (the “**Indicative Term Sheet**” together with the Investor Presentation, the “**Marketing Materials**”).

All documents of the Company of the type described in Section 11.1 of Form 44-101F1 — *Short Form Prospectus* to National Instrument 44-101 — *Short Form Prospectus Distributions*, if filed by the Company with the provincial and territorial securities commissions or similar authorities in Canada after the date of this Prospectus Supplement and before completion of the Offering, shall be deemed to be incorporated by reference into this Prospectus Supplement.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this Prospectus Supplement, to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein 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 that 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 be deemed, except as so modified or superseded, to constitute a part of this Prospectus Supplement.

MARKETING MATERIALS

The Marketing Materials do not form part of this Prospectus Supplement or the Prospectus to the extent that the contents of the Marketing Materials have been modified or superseded by a statement contained in this Prospectus Supplement or any amendment thereof. Any “template version” of “marketing materials” (each as defined in National Instrument 41-101 – *General Prospectus Requirements*) filed with the securities commission or similar authority in each of the provinces and territories of Canada in connection with the Offering after the date hereof but prior to the termination of the distribution of the Notes under this Prospectus Supplement (including any amendments to, or an amended version of, any of the Marketing Materials) is deemed to be incorporated by reference herein and in the Prospectus.

RECENT DEVELOPMENTS

The Arrangement

On October 26, 2020, the Company announced that it had entered into a definitive arrangement agreement (the “**Arrangement Agreement**”) pursuant to which Brookfield Business Partners L.P., together with certain of its affiliates and institutional partners (“**Brookfield**”), agreed to purchase in cash all of the outstanding common shares in the capital of the Company (the “**Common Shares**”) not already owned by Brookfield at a price of \$43.50 per Common Share pursuant to a court-approved plan of arrangement (the “**Arrangement**”). On December 22, 2020, the holders of Common Shares voted to approve the Arrangement and, on January 5, 2021, the Ontario Superior Court of Justice (Commercial List) approved the Arrangement. Subject to receipt of all outstanding required approvals, the Arrangement is expected to close in the first half of 2021.

The Company anticipates that, in connection with the completion of the Arrangement, the articles of arrangement filed with Corporations Canada (the “**Articles of Arrangement**”) will amend the Company’s authorized share capital in order to, among other things, (i) create and authorize the issuance of an unlimited number of Class A Common Shares in the capital of the Company (“**Class A Common Shares**”); and (ii) amend the rights, privileges, restrictions and conditions of each of the Common Shares, the Preferred Shares and the Class A Preferred Shares (as defined herein) to reflect the creation of the Class A Common Shares. After giving effect to the Articles of Arrangement, the Class A Common Shares and Common Shares shall have substantively similar terms and conditions and rank on a parity with one another, provided that each class shall allow for discretionary dividends to the exclusion of the other class.

Following completion of the Arrangement, it is currently anticipated that all of the Common Shares will be exchanged (the “**Share Exchange**”) for a lesser number of Class A Common Shares, such that upon completion of the Share Exchange, there will be no Common Shares outstanding and all of the Class A Common Shares outstanding will be held by Brookfield.

The Company currently intends, in connection with closing of the Arrangement, to raise incremental debt through one or more credit facilities and/or offerings. For additional information, please refer to the Investor Presentation, a copy of which is attached hereto as Appendix A.

For additional information in respect of the Arrangement, please refer to the Special Meeting Circular, which is incorporated by reference herein, and the Arrangement Agreement, which is not incorporated by reference herein. Both the Special Meeting Circular and the Arrangement Agreement are available electronically at www.sedar.com.

Articles of Amendment and Offerings

On February 5, 2021, the Company filed articles of amendment with Corporations Canada that (i) gave effect to the change of the Company's legal name from "Genworth MI Canada Inc." to "Sagen MI Canada Inc." and (ii) amended the Company's authorized share capital in order to create Class A Preferred Shares in the capital of the Company (the "**Class A Preferred Shares**").

On February 18, 2021, the Company completed an offering of 4,000,000 Class A Preferred Shares, Series 1 (the "**Series 1 Class A Preferred Shares**") for gross proceeds of \$100,000,000.

On March 5, 2021, the Company completed an offering of \$300,000,000 aggregate principal amount of 3.261% Debentures, due March 5, 2031 (the "**Series 5 Debentures**").

CONSOLIDATED CAPITALIZATION

Since December 31, 2020, other than (i) the issuance of the Series 1 Class A Preferred Shares on February 18, 2021, (ii) the issuance of the Series 5 Debentures on March 5, 2021 and (iii) the issuance of the Notes pursuant to this Prospectus Supplement, there have been no material changes to the share and loan capital of the Company, on a consolidated basis.

The following table sets forth the consolidated share and loan capital of the Company as of December 31, 2020 before and after giving effect to the Offering and the use of the net proceeds from the Offering as described herein.

	Outstanding as at December 31, 2020 (\$ in millions)	Outstanding as at December 31, 2020 after giving effect to the Offering and use of proceeds ⁽¹⁾⁽²⁾ (unaudited) (\$ in millions)
Indebtedness		
Debentures	559	858
Term Loan	76	76
Notes	-	●
Series 1 Class A Preferred Shares	-	97
Common Share capital	1,313	1,313
Retained earnings	2,402	2,402
Accumulated other comprehensive income	159	159
Total Capitalization	4,509	●

Notes:

(1) The net proceeds of the Offering are estimated to be approximately \$● million, after deduction of expenses of the Offering payable by the Company, estimated to be approximately \$●, and the Agents' Fee (as defined herein) of ●. See "Use of Proceeds" for a description of the intended use of net proceeds of the Offering. The foregoing assumes the use of the net proceeds of the Offering as described under "Use of Proceeds".

(2) Includes the impact of the issuance of the Series 1 Class A Preferred Shares on February 18, 2021 and the issuance of the Series 5 Debentures on March 5, 2021.

USE OF PROCEEDS

The net proceeds from the Offering are estimated to be approximately \$● million, after deduction of the Agents' Fee and the estimated expenses of the Offering. The Agents' Fee and the estimated expenses of the Offering will be paid out of the proceeds of the Offering.

The Company intends to use the net proceeds of the Offering to strengthen the Company's capital base, for distributions to shareholders (subject to the completion of the Arrangement), and/or for general corporate purposes.

DESCRIPTION OF THE NOTES

The following is a summary of certain of the material attributes and characteristics of the Notes offered hereby, which does not purport to be complete. Reference is made to the Trust Indenture and Sixth Series Supplement referred to below for the full text of the attributes and characteristics of the Notes. Copies of the Trust Indenture and Sixth Series Supplement may be obtained from the Senior Vice President, General Counsel and Secretary of the Company upon payment of a reasonable copying fee, and is also available electronically at www.sedar.com. Noteholders (as defined herein) will be entitled to the benefit of, will be bound by, and will be deemed to have notice of, all of the provisions of the Trust Indenture and the Sixth Series Supplement. See also "*Description of Debt Securities*" in the Prospectus for a description of the general terms and provisions of the Debt Securities (as defined in the Trust Indenture) of the Company.

Definitions

"5-Year Government of Canada Yield" on any date means the bid-side yield to maturity on such date (assuming semi-annual compounding) of a Canadian dollar denominated non-callable Government of Canada bond with a term to maturity of five years as quoted as of 10:00 a.m. (Toronto time) on such date and which appears on the Bloomberg Screen GCAN5YR Page on such date; provided that, if such rate does not appear on the Bloomberg Screen GCAN5YR Page on such date, the 5-Year Government of Canada Yield will mean the average (rounded to the nearest 1/1000th of 1%) of the bid-side yields determined by two registered Canadian investment dealers, selected by the Company, as being the bid-side yield to maturity on such date (assuming semi-annual compounding) which a Canadian dollar denominated non-callable Government of Canada bond would carry if issued in Canadian dollars at 100% of its principal amount on such date with a term to maturity of five years.

"Bloomberg Screen GCAN5YR Page" means the display designated on page "GCAN5YR<INDEX>" on the Bloomberg Financial L.P. service (or such other page as may replace the GCAN5YR page on that service for purposes of displaying Government of Canada bond yields).

"Calculation Agent" means a third party independent financial institution of national standing with experience providing such services, which will be selected by the Company prior to the first Interest Reset Date.

"Dividend Restricted Shares" means, collectively, the preferred shares in the capital of the Company, including, without limitation, the Preferred Shares and the Class A Preferred Shares, and the common shares in the capital of the Company, including, without limitation, the Common Shares and, following the filing of the Articles of Arrangement, the Class A Common Shares.

"Parity Notes" means any class or series of the Company's indebtedness currently outstanding or hereafter created which ranks on a parity with the Notes (prior to any Automatic Conversion) as to distributions upon liquidation, dissolution or winding-up.

"Person" includes an individual, a corporation, a limited liability company, a partnership, a trust, an unincorporated organization, a joint venture, the government of a country or any political subdivision of a country, or an agency or department of any such government, any other governmental authority and the executors, administrators or other legal representatives of an individual in such capacity.

A **"Rating Event"** means the amount of equity credit assigned to the Notes by DBRS (as defined herein) or S&P (as defined herein) has been reduced due to an amendment to, clarification of or change in, the methodology or criteria employed by S&P or DBRS for purposes of assigning equity credit to securities such as the Notes that was effective on the date of the original issuance of the Notes.

"Senior Indebtedness" means obligations (other than Subordinated Indebtedness) of, or guaranteed or assumed by, the Company for borrowed money or evidenced by bonds, debentures or notes or obligations of the

Company for or in respect of bankers' acceptances (including the face amount thereof), letters of credit and letters of guarantee (including all reimbursement obligations in respect of each of the foregoing) or other similar instruments, and amendments, renewals, extensions modifications and refundings of any such indebtedness or obligation. As of the date hereof, the Company's Senior Indebtedness totaled approximately \$●.

"Subordinated Indebtedness" means non-recourse obligations, the Notes or any other obligations specifically designated as being subordinate in right of payment to Senior Indebtedness.

"Subsidiary" has the meaning attributed to such term in the *Canada Business Corporations Act*.

A **"Tax Event"** means the Company has received an opinion of independent counsel of a nationally recognized law firm in Canada or the U.S. experienced in such matters (who may be counsel to the Company) to the effect that, as a result of, (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws, or any regulations thereunder, or any application or interpretation thereof, of Canada or the U.S. or any political subdivision or taxing authority thereof or therein, affecting taxation, (ii) any judicial decision, administrative pronouncement, published or private ruling, regulatory procedure, rule, notice, announcement, assessment or reassessment (including any notice or announcement of intent to adopt or issue such decision, pronouncement, ruling, procedure, rule, notice, announcement, assessment or reassessment) (collectively, an **"Administrative Action"**), or (iii) any amendment to, clarification of, or change in, the official position with respect to or the interpretation of any Administrative Action or any interpretation or pronouncement that provides for a position with respect to such Administrative Action that differs from the theretofore generally accepted position, in each of case (i), (ii) or (iii), by any legislative body, court, governmental authority or agency, regulatory body or taxing authority, irrespective of the manner in which such amendment, clarification, change, Administrative Action, interpretation or pronouncement is made known, which amendment, clarification, change or Administrative Action is effective or which interpretation, pronouncement or Administrative Action is announced on or after the date of issue of the Notes, there is more than an insubstantial risk (assuming any proposed or announced amendment, clarification, change, interpretation, pronouncement or Administrative Action is effective and applicable) that the Company is, or may be, subject to more than a de minimis amount of additional taxes, duties or other governmental charges or civil liabilities because the treatment of any of its items of income, taxable income, expense, taxable capital or taxable paid-up capital with respect to the Notes (including the treatment by the Company of interest on the Notes), as or as would be reflected in any tax return or form filed, to be filed, or that otherwise could have been filed, will not be respected by a taxing authority.

General

The Notes offered hereby will be issued under and pursuant to the provisions of a trust indenture, as amended and supplemented from time to time (the **"Trust Indenture"**), dated as of June 29, 2010 between the Company and BNY Trust Company of Canada as trustee (the **"Trustee"**). The sixth series supplement to the Trust Indenture to be dated on or about the Closing Date (the **"Sixth Series Supplement"**) will provide for the creation of the Notes offered under this Prospectus Supplement and will provide that an unlimited amount of Notes may be created and issued, provided that the initial issuance shall be in the aggregate principal amount of \$● million. The Notes will mature on March ●, 2081. The certificate(s) representing the Notes will be dated March ●, 2021. The Notes will be issued in denominations of \$1,000 and integral multiples thereof. The principal and interest on the Notes will be paid in lawful money of Canada in the manner and on the terms set out in the Trust Indenture and the Sixth Series Supplement. The CUSIP and ISIN numbers for the Notes will be ● and ●, respectively.

Depository Services

Except as otherwise provided below, the Notes will be issued in "book-entry only" form and must be purchased, transferred or redeemed through participants (**"CDS Participants"**) in the depository service of CDS. Each of the Agents is a CDS Participant or has arrangements with a CDS Participant. On the closing of the Offering, the Company will cause one or more certificate(s) (including book-entry only certificates or such other form of evidence of ownership) representing the Notes to be delivered to the Agents and registered in the name of CDS or its nominee or such other name or names as the Agents may direct. Except as described below, no purchaser of Notes will be entitled to a certificate or other instrument from the Company or CDS evidencing that purchaser's ownership thereof, and no purchaser will be shown on the records maintained by CDS except through a book-entry account of a

CDS Participant acting on behalf of such purchaser. Each purchaser of Notes will receive a customer confirmation of purchase from the registered dealer from or through which the Notes are purchased in accordance with the practices and procedures of that registered dealer. The practices of registered dealers may vary, but generally customer confirmations are issued promptly after execution of a customer order. CDS will be responsible for establishing and maintaining book-entry accounts for its CDS Participants having interests in the Notes. Reference in this Prospectus Supplement to a holder of Notes (“**Noteholder**”) means, unless the context otherwise requires, the beneficial holder of the Notes.

Transfers

Transfers of ownership in Notes will be effected through the records maintained by CDS or its nominee for such Notes with respect to interests of CDS Participants and on the records of CDS Participants with respect to interests of persons other than CDS Participants. Noteholders who are not CDS Participants, but who desire to purchase, sell or otherwise transfer ownership of or other interests in such Notes, may do so only through CDS Participants. The ability of a Noteholder to pledge a Note or otherwise take action with respect to such holder’s interest in a Note (other than through a CDS Participant) may be limited due to the lack of a physical certificate.

Ranking and Subordination

The Notes will be direct, unsecured and subordinated obligations of the Company and the payment of principal and interest on the Notes, to the extent provided in the Trust Indenture and the Sixth Series Supplement, will be subordinated in right of payment to the prior payment in full of all present and future Senior Indebtedness, and will be effectively subordinated to all indebtedness and obligations of the Company’s Subsidiaries. The Company will not be permitted to make any payments on the Notes if the Company defaults on a payment of principal of, premium, if any, or interest on any such Senior Indebtedness or there shall occur an event of default under such Senior Indebtedness and the Company does not cure the default within the applicable grace period, if the holders of the Senior Indebtedness have the right to accelerate the maturity of such indebtedness or if the terms of such Senior Indebtedness otherwise restrict the Company from making payments to junior creditors.

In the event: (i) of any insolvency or bankruptcy proceedings or any receivership, liquidation, reorganization or other similar proceedings in respect of the Company or a substantial part of its property, or of any proceedings for liquidation, dissolution or other winding-up of the Company, subject to an Automatic Conversion; (ii) subject to the subordination provisions in the Trust Indenture and the Sixth Series Supplement, that a default shall have occurred with respect to payments due on any Senior Indebtedness, or there shall have occurred an event of default (other than a default in payment) in respect of any Senior Indebtedness permitting the holder or holders thereof to accelerate the maturity thereof and such default or event of default shall not have been cured or waived or shall not have ceased to exist; or (iii) that the principal of and accrued interest on the Notes shall have been declared due and payable pursuant to the Trust Indenture and the Sixth Series Supplement and such declaration shall not have been rescinded and annulled as provided therein, then the holders of Senior Indebtedness shall first be entitled to receive payment of the full amount due thereon before the Noteholders are entitled to receive a payment on account of the principal or interest on the Notes, including, without limitation, any payments made pursuant to any redemption or purchase for cancellation.

Covenants

General Covenants

Pursuant to the terms of the Trust Indenture, the Company covenants that, among other things, so long as any of the Notes are outstanding:

1. the Company will not, and will not permit any of its Subsidiaries to, amalgamate or consolidate or merge with or into any other Person or liquidate, wind-up or dissolve itself (or suffer any liquidation, winding-up or dissolution or any proceedings therefor), or continue itself under the laws of any other statute or jurisdiction, or sell, transfer, convey or dispose of, in one transaction or a series of related transactions, and whether at the same time or over a period of time, all or substantially all of its property to any other Person

unless (a) the Company or one of its wholly-owned Subsidiaries is the continuing or successor company following such transaction or the continuing or successor company, if other than the Company or one of its wholly-owned Subsidiaries, is a corporation existing under the laws of Canada, the United States, the United Kingdom or any other member country that is in the European Community or any political subdivision of the foregoing, and the continuing or successor company to the Company assumes all of the Company's obligations under the Trust Indenture by supplemental indenture, and (b) at the time of, and after giving effect to, such transaction, no Event of Default, and no event which, after notice or lapse of time, or both, would become an Event of Default, shall have happened and be continuing under the Trust Indenture; provided that this limitation shall not restrict any amalgamation, consolidation or merger of, any liquidation, dissolution or winding-up of, or any sale of assets or similar transaction between, any direct or indirect wholly-owned Subsidiary of the Company and the Company or any other such Subsidiary of the Company. A continuing or successor company to the Company pursuant to the preceding sentence which exists under the laws of a country other than Canada or any political subdivision of Canada shall deduct or withhold from any amounts of interest or premium payments it is required to pay under the Trust Indenture all amounts it is required to deduct or withhold on account of taxes (other than taxes imposed under the laws of Canada or any political subdivision of Canada) and shall remit such amount to the relevant governmental authority and shall pay such additional amounts to the Noteholders so that the Noteholders receive the amount they would have received if no such deduction or withholding had been made.

2. the Company will not request the rating agencies specified as rating the Notes to withdraw their rating of the Notes. In the event that a rating agency withdraws its rating of the Notes with the result that the Notes are no longer rated by a credit rating agency, the Company will use commercially reasonable efforts to obtain a credit rating from another credit rating agency acceptable to the Trustee, acting reasonably.

Additional Covenants

In addition to the Dividend Stopper Undertaking (as hereinafter defined), the Company will covenant for the benefit of the Noteholders that, for so long as the Conversion Preferred Shares issuable upon the Automatic Conversion are issuable or outstanding, the Company will not create or issue any preferred shares in the capital of the Company which, in the event of insolvency or winding-up of the Company, would rank in right of payment in priority to the Conversion Preferred Shares, but, for greater certainty, may issue preferred shares in the capital of the Company, including Preferred Shares or Class A Preferred Shares, which, in the event of insolvency or winding-up of the Company, would rank in right of payment *pari passu* with the Conversion Preferred Shares.

Events of Default

The Trust Indenture and Sixth Series Supplement will provide that an "Event of Default" in respect of the Notes will occur upon the Company's failure to pay any:

- (a) principal of or premium on the Notes when due and payable; or
- (b) interest on the Notes when due and payable and such default continues for a period of 30 days (subject to the Company's right, at its sole option, to defer interest payments, as described under "*Deferral Right*"); provided that no such default shall be considered to occur as a result of amounts that may be required to be deducted or withheld under the Tax Act or any other applicable taxation statute by the Company, the Trustee or the registrar or paying agent, if any, from any payment to be made to any Noteholder having been so deducted or withheld and such amounts having been remitted to the appropriate governmental authority on behalf of such Noteholder.

There will be no right of acceleration in the case of a default in the performance of any other covenant of the Company in the Trust Indenture and the Sixth Series Supplement, although a legal action could be brought to enforce any such covenant. For the avoidance of doubt, the events of default stated in this section shall be the only events of default applicable to the Notes.

If an Event of Default has occurred and is continuing, the Trustee has received notice of such Event of Default and the Notes have not already been automatically converted into Conversion Preferred Shares, the Trustee shall, upon request of holders of not less than 25% of the unpaid principal amount of the Notes, by written notice to the Company, declare the Notes to be immediately due and payable, and upon such declaration, the aggregate unpaid principal amount of the Notes (together with all accrued and unpaid interest thereon and any other amounts owing with respect thereto) shall become immediately due and payable.

Interest

Interest on the Notes will be payable semi-annually in equal instalments in arrears on each Interest Payment Date commencing September ●, 2021 for so long as the Notes are outstanding. From the date of issue to, but excluding March ●, 2031, the Notes will bear interest at a fixed rate of ●% per annum, with the initial interest payment, payable on September ●, 2021, being \$● per \$1,000 principal amount of Notes, based on an anticipated issue date of ●, 2021. From, and including, March ●, 2031, and on every Interest Reset Date thereafter at which time the Notes are outstanding, until the Maturity Date, the interest rate on the Notes will be reset at a fixed rate per annum equal to the 5-Year Government of Canada Yield on the business day prior to such Interest Reset Date, plus (i) for the period from, and including, March ●, 2031 to, but excluding, March ●, 2051, ●%; and (ii) for the period from, and including, March ●, 2051 to, but excluding, the Maturity Date, ●%, in each case, to be reset by the Calculation Agent on each Interest Reset Date. If any of the aforesaid dates upon which interest on the Notes is payable is not a business day, such interest shall be payable on the next business day thereafter.

The Company's requirement to pay interest on the Notes is subject to its right to defer interest. See “–*Deferral Right*”.

For the purposes of the *Interest Act* (Canada), and without affecting the interest payable on the Notes, if the interest rate on the Notes is to be calculated on the basis of a period of less than a full calendar year, the yearly rate of interest to which such rate is equivalent is such rate multiplied by the actual number of days in the calendar year for which such calculation is made and divided by the number of days in such period.

Deferral Right

So long as no Event of Default has occurred and is continuing, the Company may elect, in its sole option, at any date other than an Interest Payment Date, to defer the interest payable on the Notes on one or more occasions for a Deferral Period (i.e., a period up to five consecutive years). There is no limit on the number of Deferral Periods that may occur. Such deferral will not constitute an Event of Default or any other breach under the Trust Indenture, the Sixth Series Supplement and the Notes. Deferred interest will accrue, compounding on each subsequent Interest Payment Date, until paid. A Deferral Period terminates on any Interest Payment Date where the Company pays all accrued and unpaid interest (including deferred interest) on such date. No Deferral Period may extend beyond the Maturity Date and, for greater certainty, all accrued and unpaid interest (including deferred interest) shall be due and payable at maturity. The Company will give the registered holder(s) of the Notes written notice of its election to commence or continue a Deferral Period at least 10 days and not more than 60 days before the next Interest Payment Date.

Dividend Stopper Undertaking

Unless the Company has paid all accrued and payable interest on the Notes, the Company will not (the “**Dividend Stopper Undertaking**”): (i) declare any dividends on the Dividend Restricted Shares (other than share dividends or dividends in kind on Dividend Restricted Shares) or pay any interest on any Parity Notes, (ii) redeem, purchase or otherwise retire any Dividend Restricted Shares or Parity Notes, or (iii) make any payment to holders of any of the Dividend Restricted Shares or any of the Parity Notes in respect of dividends not declared or paid on such Dividend Restricted Shares or interest not paid on such Parity Notes, respectively.

It is in the Company's interest to ensure that interest on the Notes is timely paid so as to avoid triggering the Dividend Stopper Undertaking.

Automatic Conversion

The Notes, including accrued and unpaid interest (including deferred interest, as applicable) thereon, will be converted automatically, without the consent of Noteholders, into Conversion Preferred Shares upon the occurrence of: (i) the making by the Company of a general assignment for the benefit of its creditors or a proposal (or the filing of a notice of its intention to do so) under the *Bankruptcy and Insolvency Act* (Canada) or the *Companies' Creditors Arrangement Act* (Canada), (ii) any proceeding instituted by the Company seeking to adjudicate it a bankrupt or insolvent or where the Company is insolvent, seeking liquidation, winding-up, dissolution, reorganization, adjustment, protection, relief or compromise of its debts under any law relating to bankruptcy, insolvency or corporate arrangements in Canada, or seeking the entry of an order for the appointment of a receiver, interim receiver, trustee, monitor or other similar official for the property and assets of the Company or any substantial part of its property and assets in circumstances where the Company is adjudged a bankrupt or insolvent, (iii) a receiver, interim receiver, trustee, monitor or other similar official is appointed over the property and assets of the Company or for any substantial part of its property and assets by a court of competent jurisdiction in circumstances where the Company is adjudged a bankrupt or insolvent under any law relating to bankruptcy or insolvency in Canada; or (iv) any proceeding is instituted against the Company seeking to adjudicate it a bankrupt or insolvent or, where the Company is insolvent, seeking liquidation, winding-up, dissolution, reorganization, adjustment, protection, relief or compromise of its debts under any law relating to bankruptcy, insolvency or corporate arrangements in Canada, or seeking the entry of an order for the appointment of a receiver, interim receiver, trustee, monitor or other similar official for the property and assets of the Company or any substantial part of its property and assets in circumstances where the Company is adjudged a bankrupt or insolvent under any law relating to bankruptcy or insolvency in Canada, and either such proceeding has not been stayed or dismissed within 60 days of the institution of any such proceeding or the actions sought in such proceedings occur, including the entry of an order for relief against the Company or the appointment of a receiver, interim receiver, trustee, monitor or other similar official for it or for any substantial part of its property and assets (each, an “**Automatic Conversion Event**”).

The Conversion Preferred Shares will carry the right to receive cumulative preferential cash dividends, if, as and when declared by the Board, subject to the *Canada Business Corporations Act*, at the same rate as the interest rate that would have accrued on the Notes (had the Notes remained outstanding) as described under “*Description of the Notes – Interest*” (the “**Perpetual Preferred Share Rate**”), payable on each semi-annual dividend payment date, subject to any applicable withholding tax. See “*Description of the Conversion Preferred Shares – Dividends on Conversion Preferred Shares*”.

The Automatic Conversion shall occur upon an Automatic Conversion Event (the “**Conversion Time**”). As of the Conversion Time, the Notes shall be automatically converted, without the consent of Noteholders, into fully-paid Conversion Preferred Shares. At such time, all then outstanding Notes shall be deemed to be immediately and automatically surrendered and cancelled without the need for further action by the Noteholders, who shall thereupon automatically cease to be holders thereof and all rights of any such holder as a debtholder of the Company shall automatically cease. Certificated Notes, if any, shall be surrendered by the Noteholder to the Trustee for cancellation prior to the distribution of the Conversion Preferred Shares issuable to such Noteholder thereunder pursuant to an Automatic Conversion. At the Conversion Time, the Noteholders will receive one Conversion Preferred Share for each \$1,000 principal amount of Notes held immediately prior to the Conversion Time together with the number of Conversion Preferred Shares (including fractional shares, if applicable) calculated by dividing the amount of accrued and unpaid interest (including deferred interest, as applicable), if any, on the Notes by \$1,000.

Upon an Automatic Conversion, the Company reserves the right not to issue some or all, as applicable, of the Conversion Preferred Shares to any person whose address is in, or whom the Company or its transfer agent has reason to believe is a resident of, any jurisdiction outside of Canada to the extent that: (i) the issuance or delivery by the Company to such person, upon an Automatic Conversion, of Conversion Preferred Shares would require the Company to take any action to comply with securities or analogous laws of such jurisdiction, or (ii) the Company or its transfer agent would be obligated to make or remit any tax withholdings or deductions to a governmental authority in connection with the delivery to such person of Conversion Preferred Shares upon an Automatic Conversion (“**Ineligible Persons**”). In such circumstances, the Company will hold all Conversion Preferred Shares that would otherwise be delivered to Ineligible Persons, as agent for such Ineligible Persons, and will attempt to facilitate the sale of such Conversion Preferred Shares through a registered broker or dealer retained by the

Company for the purpose of effecting the sale (to parties other than the Company, its affiliates or other Ineligible Persons) on behalf of such Ineligible Persons. Such sales, if any, may be made at any time and any price. The Company will not be subject to any liability for failing to sell Conversion Preferred Shares on behalf of any such Ineligible Persons or at any particular price on any particular day. The net proceeds received by the Company from the sale of any such Conversion Preferred Shares will be divided among the Ineligible Persons in proportion to the number of Conversion Preferred Shares that would otherwise have been delivered to them, after deducting the costs of sale and applicable taxes or withholding on account of taxes, if any. The Company will make payment of the aggregate net proceeds to CDS (if the Notes are then held in the book-entry only system) or to the registrar and transfer agent (in all other cases) for distribution to such Ineligible Persons in accordance with the applicable procedures of CDS or otherwise.

As a precondition to the delivery of any certificate or other evidence of issuance representing any Conversion Preferred Shares or related rights following an Automatic Conversion, the Company may obtain from any Noteholder (and persons holding Notes represented by such Noteholder) a declaration, in form and substance satisfactory to the Company, confirming compliance with any applicable regulatory requirements to establish that such Noteholder is not, and does not represent, an Ineligible Person.

As the events that give rise to an Automatic Conversion are bankruptcy and related events, it is in the Company's interest to ensure that an Automatic Conversion does not occur, although the events that could give rise to an Automatic Conversion may be beyond the Company's control.

Issue of Conversion Preferred Shares in Connection with an Automatic Conversion

All corporate action necessary to authorize the Company to issue Conversion Preferred Shares pursuant to the terms of the Notes will be completed prior to the closing of the offering of the Notes.

Redemption

Optional Redemption

The Trust Indenture and the Sixth Series Supplement will provide that the Notes are not redeemable at the option of the Company prior to March ●, 2026. On or after March ●, 2026, the Company may, at its option, redeem the Notes on not less than 10 and not more than 60 days' prior notice to the registered holder(s) of the Notes, and upon such conditions as may be specified in the applicable notice of redemption, in whole or in part on any Interest Reset Date or any Interest Payment Date at a redemption price of (i) 104% of the principal amount thereof if redeemed on or after March ●, 2026 but prior to March ●, 2027, (ii) 103% of the principal amount thereof if redeemed on or after March ●, 2027 but prior to March ●, 2028, (iii) 102% of the principal amount thereof if redeemed on or after March ●, 2028 but prior to March ●, 2029, (iv) 101% of the principal amount thereof if redeemed on or after March ●, 2029 but prior to March ●, 2030, and (v) 100% of the principal amount thereof if redeemed on or after March ●, 2030, in each case, together with accrued and unpaid interest (including deferred interest, as applicable) to, but excluding, the date fixed for redemption. In cases of partial redemption, the Notes to be redeemed will be selected by the Trustee *pro rata* or in such other manner as it shall deem appropriate. Any Notes that are redeemed by the Company will be cancelled and will not be re-issued.

In the event that the Company redeems or purchases any of the Notes, the Company intends (without thereby assuming a legal obligation) to do so only to the extent the aggregate redemption or purchase price is equal to or less than the net proceeds, if any, received by the Company from new issuances during the period commencing on the 365th or 366th calendar day, depending upon the actual number of days in the applicable year, prior to the date of such redemption or purchase of securities which are assigned by S&P at the time of sale or issuance, an aggregate equity credit that is equal to or greater than the equity credit assigned to the Notes to be redeemed or repurchased (but taking into account any changes in hybrid capital methodology or another relevant methodology or the interpretation thereof since the issuance of the Notes).

Redemption on Tax Event or Rating Event

Within 90 days following the occurrence of a Tax Event, the Company may, at its option, on not less than 10 and not more than 60 days' prior notice to the registered holder(s) of the Notes, redeem all (but not less than all) of the Notes at a redemption price equal to 100% of the principal amount thereof, together with accrued and unpaid interest (including deferred interest, as applicable) thereon to, but excluding the date fixed for redemption.

Within 90 days following the occurrence of a Rating Event, the Company may, at its option, on not less than 10 and not more than 60 days' prior notice to the registered holder(s) of the Notes, redeem all (but not less than all) of the Notes at a redemption price equal to 102% of the principal amount thereof, together with accrued and unpaid interest (including deferred interest, as applicable) thereon to, but excluding, the date fixed for redemption.

For greater clarity, if there is a Tax Event or Rating Event during a period when the Notes can be optionally redeemed, the Company may, but is not obligated to, optionally redeem the Notes in accordance with its optional redemption right described under “– *Optional Redemption*” instead of in accordance with its Tax Event or Rating Event redemption right, as applicable.

Mandatory Redemption

The Notes will be subject to a mandatory redemption by the Company, in whole, as provided in the Sixth Series Supplement, in the event that either: (a) the Outside Date (as defined herein) occurs and closing of the Arrangement has not occurred on or prior to the Outside Date; or (b) the Arrangement Agreement is terminated at any time prior to the Outside Date in accordance with its terms without closing of the Arrangement (each, a “**Triggering Event**”). For such purposes, the “**Outside Date**” means July 30, 2021, as such date may be postponed pursuant to the terms of the Arrangement Agreement, or such later date as may be agreed to in writing by the parties to the Arrangement Agreement.

The Company shall, no later than the fourth business day following the date on which a Triggering Event occurs, give notice of the mandatory redemption to the Trustee, the registrar and the paying agent stating, among other matters prescribed in the Trust Indenture, that a Triggering Event has occurred and that all of the Notes will be redeemed on the date of redemption set forth in such notice (which shall be not less than one business day and not more than 15 business days after such notice is given) (the “**Mandatory Redemption Date**”). Following receipt of such notice, a copy of the notice shall be promptly provided to the registered holder.

The redemption price for the mandatory redemption will be 100% of the aggregate outstanding principal amount of the Notes, together with accrued and unpaid interest thereon, if any, to, but excluding, the Mandatory Redemption Date. The Notes that are redeemed by the Company pursuant to the mandatory redemption will be cancelled and will not be re-issued.

Open Market Purchases

Pursuant to the Trust Indenture, the Company has the right at any time and from time to time to purchase Notes in the market or by tender or by private contract at any price that is agreed upon between the Company and the applicable Noteholders. All Notes that are purchased by the Company will be cancelled and will not be re-issued.

Modification

The Trust Indenture and the rights of the Noteholders may, in certain circumstances, be modified. The Trust Indenture contains provisions making “Holder Directions” binding upon the holders of Debt Securities (including the Notes) issued under the Trust Indenture, either on a series by series basis or in respect of all of the holders of more than one series of Debt Securities issued under the Trust Indenture. A “Holder Direction” is defined in the Trust Indenture as an approval or direction to make, give or take a specified holder action given by the holders of not less than a majority (or such other percentage as is specifically prescribed with respect to a particular holder action) of the aggregate outstanding principal amount of the applicable series of Debt Securities issued under the

Trust Indenture voted at a duly constituted meeting or an approval or direction to make, give or take a holder action pursuant to an instrument in writing signed by the holders of not less than a majority (or such other percentage as is specifically prescribed with respect to a particular holder action) of the aggregate outstanding principal amount of such applicable series of Debt Securities issued under the Trust Indenture.

Defeasance

The Trust Indenture and the Sixth Series Supplement will contain provisions requiring the Trustee to release the Company from its obligations under the Trust Indenture and any supplemental indenture relating to the Notes provided that (i) at least 91 days prior to the time the defeasance is to become effective, the Company shall have irrevocably deposited funds with the Trustee to pay and discharge all principal and interest and other amounts due or to become due in respect of the Notes, (ii) the Company delivers to the Trustee an opinion of counsel acceptable to the Trustee to the effect that the Noteholders (resident in Canada for purposes of the Tax Act) will not recognize a gain or loss for Canadian income tax purposes as a result of the exercise by the Company of its defeasance option and that they will thereafter be subject to Canadian income taxes on the same amounts, in the same manner and at the same time or times as would have been the case if such option had not been exercised, (iii) no Event of Default, and no occurrence that with notice, the lapse of time or both would become an Event of Default, with respect to the Notes shall have occurred and be continuing at the time of the deposit of funds by the Company and, unless an Automatic Conversion Event has occurred, no bankruptcy or insolvency event shall have occurred and be continuing at the time of the deposit of funds by the Company, and (iv) other conditions specified in the Trust Indenture are satisfied.

DESCRIPTION OF THE CONVERSION PREFERRED SHARES

The following is a summary of the principal rights, privileges, restrictions and conditions attaching to the Conversion Preferred Shares, which does not purport to be complete. Copies of the text of the provisions attaching to the Preferred Shares as a class and the Conversion Preferred Shares, as a series, may be obtained from the Senior Vice President, General Counsel and Secretary of the Company upon payment of a reasonable copying fee, and are also available electronically at www.sedar.com. See also “*Description of Preferred Shares*” in the Prospectus for a description of the general terms and provisions of the Preferred Shares of the Company.

Unlimited Number

The Company may issue an unlimited number of Conversion Preferred Shares in connection with issuances of Notes.

Issue Price

The Conversion Preferred Shares will have an issue price of \$1,000 per share.

Dividends on Conversion Preferred Shares

The holders of the Conversion Preferred Shares will be entitled to receive cumulative preferential cash dividends, if, as and when declared by the Board, subject to the *Canada Business Corporations Act*, at the Perpetual Preferred Share Rate, payable on each semi-annual dividend payment date, subject to applicable withholding tax. If the Board does not declare the dividends, or any part thereof, on the Conversion Preferred Shares on or before the dividend payment date for a particular period, such dividends or the unpaid part thereof shall be paid on a subsequent date or dates, to be determined by the Board, on which the Company shall have sufficient monies properly available, under the provisions of applicable law and under the provisions of any trust or note indenture governing bonds, debentures or other securities of the Company, for the payment of the same.

Redemption of Conversion Preferred Shares

The Conversion Preferred Shares shall not be redeemable prior to March ●, 2026. On or after that date, but subject to the provisions described under “– *Restrictions on Payments*”, the Company may, at its option, redeem the

Conversion Preferred Shares in whole at any time or in part from time to time, without the consent of the holders of the Conversion Preferred Shares, on not less than 10 and not more than 60 days' prior notice, by the payment of an amount in cash for each share so redeemed equal to \$1,000 per share together with an amount equal to all accrued and unpaid dividends thereon to but excluding the date fixed for redemption, subject to any applicable withholding tax. If less than all of the outstanding Conversion Preferred Shares are at any time to be redeemed, the shares so to be redeemed shall be selected by lot in such manner as the Board or the transfer agent, if any, appointed by the Company in respect of such shares shall decide, or, if the Board so decides, such shares may be redeemed *pro rata*.

Purchase for Cancellation

Subject to the provisions described under “– *Restrictions on Payments*”, the Company may from time to time purchase for cancellation any Conversion Preferred Shares in the open market or by tender or private contract at any price, subject to any applicable withholding tax. Any such shares purchased by the Company shall be cancelled and shall not be re-issued.

Rights on Liquidation, Dissolution or Winding-Up

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 the Conversion Preferred Shares shall be entitled to receive \$1,000 per whole Conversion Preferred Share (less any amount that may have been returned to holders as a return of capital) together with all accrued and unpaid dividends thereon (subject to any applicable withholding tax) before any amount shall be paid or any property or assets of the Company shall be distributed to the holders of Common Shares or any shares ranking junior to the Conversion Preferred Shares (including, following the filing of the Articles of Arrangement, the Class A Common Shares). In such event, the Conversion Preferred Shares will rank in right of payment *pari passu* with other preferred shares in the capital of the Company, including, without limitation, the Preferred Shares and the Class A Preferred Shares. After payment to the holders of the Conversion Preferred Shares of the amount so payable to them, they shall not, as such, be entitled to share in any further distribution of the property or assets of the Company.

Restrictions on Payments

So long as any Conversion Preferred Shares are outstanding, the Company shall not: (i) call for redemption of, purchase or otherwise retire or pay off less than all of the Conversion Preferred Shares and all other preferred shares in the capital of the Company, including, without limitation, the Preferred Shares and the Class A Preferred Shares, then outstanding ranking prior to or on parity with the Conversion Preferred Shares with respect to payment of dividends; (ii) declare, pay or set apart for payment any dividends (other than stock dividends in shares of the Company ranking junior to the Conversion Preferred Shares) on the common shares in the capital of the Company, including, without limitation, the Common Shares (and, following the filing of the Articles of Arrangement, the Class A Common Shares) or any other shares ranking junior to the Conversion Preferred Shares with respect to payment of dividends; or (iii) call for redemption of, purchase or otherwise pay for any shares of the Company ranking junior to the Conversion Preferred Shares with respect to repayment of capital or with respect to payment of dividends, in the case of each of (i) through (iii), unless all dividends up to and including the dividends payable on the last preceding dividend payment dates on the Conversion Preferred Shares and on all other preferred shares in the capital of the Company, including, without limitation, the Preferred Shares and the Class A Preferred Shares, then outstanding ranking prior to or on a parity with the Conversion Preferred Shares with respect to payment of dividends in respect of which the rights of holders of those preferred shares have not been extinguished shall have been declared and paid or set apart for payment at the date of any such action.

Voting Rights

The holders of Conversion Preferred Shares shall not be entitled to receive notice of or to attend or vote at meetings of the shareholders of the Company, except as required by law.

Tax Election

The Conversion Preferred Shares will be “taxable preferred shares” as defined in the Tax Act. The terms of the Conversion Preferred Shares require the Company to make the necessary election under Part VI.1 of the Tax Act so that a corporation holding Conversion Preferred Shares will not be subject to the tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Conversion Preferred Shares. See “*Certain Canadian Federal Income Tax Considerations – Conversion Preferred Shares – Dividends*”.

PLAN OF DISTRIBUTION

Under an agency agreement (the “**Agency Agreement**”) dated as of March ●, 2021 between the Company and the Agents, the Agents have agreed to use their best efforts to sell, if as and when issued by the Company, \$● million principal amount of Notes plus accrued interest, if any, from March ●, 2021 to the date of delivery, payable in cash against delivery of such Notes. The Offering is anticipated to close on March ●, 2021 or such later date as may be agreed upon by the Company and the Agents, but not later than ●, 2021. The determination of the terms of the Offering, including the issue price of the Notes, was made through negotiations with the Agents.

The obligations of the Agents under the Agency Agreement may be terminated at their discretion upon the occurrence of certain stated events. Such events include, but are not limited to, (i) a material change or change in material fact which, in the reasonable opinion of the Agents, would be expected to have a significant adverse effect on the market price or value of the Notes, and (ii) certain major financial or other occurrences which, in the reasonable opinion of the Agents, materially adversely affect Canadian financial markets or the business of the Company.

The Agency Agreement provides that the Agents will be paid the fee of \$● per \$1,000.00 principal amount of Notes sold (the “**Agents’ Fee**”), on account of services rendered in connection with the Offering. While the Agents have agreed to use their best efforts to sell the Notes offered hereby, they are not obligated to purchase any Notes which are not sold.

The Agents may not, throughout the period of distribution under this Prospectus Supplement, bid for or purchase the Notes. The foregoing restriction is subject to certain exceptions, as long as the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in or raising the price of the Notes. These exceptions include a bid or purchase permitted under the Universal Market Integrity Rules administered by the Investment Industry Regulatory Organization of Canada relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer when the order was not solicited during the period of distribution.

In connection with the Offering, the Agents may effect transactions intended to stabilize or maintain the market price of the Notes at levels other than those which might otherwise prevail on the open market in accordance with market stabilization rules. Such transactions, if commenced, may be discontinued at any time.

The Notes have not been and will not be registered under the 1933 Act or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to or for the account or benefit of a U.S. person (as defined in Regulation S under the 1933 Act) except in reliance on an exemption from the registration requirements of the 1933 Act or in another transaction exempt from, or not subject to, the registration requirements of the 1933 Act and in compliance with any applicable securities laws of any state or other jurisdiction in the United States. The distribution of this Prospectus Supplement and the offering and sale of the Notes are also subject to certain restrictions under the laws of certain other jurisdictions outside of Canada. Each Agent has agreed that it will not offer for sale or sell or deliver the Notes in any such jurisdiction except in accordance with the laws thereof.

EARNINGS COVERAGE RATIO

The following earnings coverage ratio is calculated on a consolidated basis for the 12-month period ended December 31, 2020 and is derived from audited consolidated financial statements of the Company.

The Company's borrowing cost requirements, after giving effect to the issue of the Notes, the issue of the Series 5 Debentures and the issue of the Series 1 Class A Preferred Shares, amounted to \$● million for the 12 months ended December 31, 2020. The Company's profit or loss attributable to owners of the parent before borrowing costs and income tax for the 12 months then ended was \$● million, which is ● times the Company's borrowing cost requirements for this period.

CREDIT RATINGS

The Notes are expected to be rated A (low) with a "Negative" trend by DBRS Limited ("**DBRS**"). DBRS rates long-term debt instruments with ratings ranging from "AAA", which represents long-term debt instruments of the highest credit quality, to "D", which represents long-term debt instruments from which an issuer has filed under any applicable bankruptcy, insolvency or winding-up statute or for which there is a failure to satisfy an obligation after the exhaustion of grace periods. A rating of "A" by DBRS represents the third highest of the ten rating categories available from DBRS for long-term debt obligations. According to DBRS, long-term debt securities rated "A" are of good credit quality and the capacity for the payment of financial obligations is substantial, but of lesser quality than "AA". Long-term debt instruments rated "A" are considered to be vulnerable to future events, but qualifying negative factors are considered manageable. All rating categories other than "AAA" and "D" also contain subcategories "high" and "low", which reflect the relative strength within the rating category. The absence of either a "high" or "low" designation indicates the rating is in the middle of the category. A rating trend, expressed as "Positive", "Stable" or "Negative", provides guidance in respect of DBRS's opinion regarding the outlook for the rating.

The Notes are expected to be rated BBB- with a "Negative" outlook by S&P Global Ratings ("**S&P**"). S&P rates long-term debt instruments with rating ranging from "AAA", which represents an extremely strong capacity of an obligor to meet its financial commitments, to "D", which means that the issuer is in default or in breach of an imputed promise. A rating of "BBB" by S&P represents the fourth highest of the 10 rating categories available from S&P for long-term debt obligations. According to S&P, long-term debt securities rated "BBB" denotes an obligor having adequate capacity to meet its financial commitments; however, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. S&P ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the major rating categories. The absence of either a plus (+) or minus (-) sign indicates the rating is in the middle of the category. A rating outlook, expressed as "Positive", "Stable", "Negative" or "Developing", provides guidance in respect of S&P's opinion regarding the potential direction of the rating over the intermediate term (generally up to two years for investment grade issues and generally up to one year for speculative grade issues).

There can be no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by either or both credit rating organizations if in its judgment circumstances so warrant. Credit ratings are intended to provide investors 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 investor. A credit rating is therefore not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

The Company has paid customary rating fees to DBRS and S&P in the past two years in connection with credit ratings of outstanding securities and its issuer credit ratings. In addition, the Company has made customary payments in respect of certain other services provided to the Company by S&P during the last two years. The Company has not made any payments to DBRS in respect of any other service provided to the Company by DBRS.

RISK FACTORS

Before deciding whether to invest in the Notes, investors should consider carefully the risks set out herein and incorporated by reference in this Prospectus Supplement, including the disclosure under the heading "Risk Factors" in the AIF and under the headings "Risk management" and "Financial reporting controls and accounting disclosures – Significant estimates and judgments" in the MD&A. These documents discuss, among other things, known material trends and events, and risks or uncertainties that may reasonably be expected to have a material effect on the Company's business, financial condition or results of operations or on the Notes.

There are certain risks inherent in the activities of the Company and in an investment in the Notes, including the following, which investors should consider carefully before investing in the Notes. This description of the risks does not include all possible risks, and there may be other risks of which the Company is not currently aware.

Risks Related to the Offering

Rights only as an Equity Holder in the Event of Insolvency

In the event of the occurrence of the Automatic Conversion, with the result that the Noteholders receive Conversion Preferred Shares on conversion of such Notes, the only claim or entitlement of each Noteholder will be in its capacity as a shareholder of the Company. See “*Description of the Notes – Automatic Conversion*” and “*– Risks Related to the Conversion Preferred Shares – Conversion Preferred Shares Treated as Equity on Insolvency or Winding-Up*”.

Changes in Creditworthiness

There is no assurance as to the creditworthiness of the Company or that any credit rating assigned to the Company, the Notes or the Conversion Preferred Shares will remain in effect for any given period of time or that a rating will not be lowered or withdrawn entirely by the relevant rating agency. The credit ratings assigned to the Notes, and the credit ratings that may be assigned to the Conversion Preferred Shares, may not reflect the potential impact of all risks on the value of the Notes or the Conversion Preferred Shares. See “*Credit Ratings*”. The creditworthiness of the Company or any credit rating assigned to the Company, the Notes or the Conversion Preferred Shares may be impacted by future securities offerings of the Company and/or the incurrence by the Company of additional indebtedness. Any changes made to the capital structure of the Company may have an impact on the ratings of the Notes and any ratings on the Conversion Preferred Shares. An actual or perceived reduction of the Company’s creditworthiness, or a lowering or withdrawal of any such rating, may have an adverse effect on the market price or value or the liquidity of the Notes or the Conversion Preferred Shares. In addition, real or anticipated changes in the Company’s credit ratings could adversely impact the Company and could affect the cost at which the Company obtains funding, thereby affecting the Company’s liquidity, business, financial condition or results of operations.

Market Value Risk

The market value of the Notes is expected to be primarily affected by changes (actual or anticipated) in prevailing interest rates and in any credit rating assigned to the Notes. The Company may choose to redeem the Notes, in whole at any time or in part from time to time, in accordance with its rights as described under “*Description of the Notes – Redemption – Optional Redemption*”. In addition, the Notes are subject to mandatory redemption at par together with all accrued and unpaid interest, in whole, upon the occurrence of certain events, as described under “*Description of the Notes – Redemption – Mandatory Redemption*”. If prevailing interest rates are lower than the yield borne by the Notes at the time of redemption, a Noteholder may not be able to reinvest the redemption proceeds in a comparable security at an effective yield as high as the yield on the Notes being redeemed. Assuming all other factors remain unchanged, the market value of the Notes would be expected to decline as prevailing yields for similar securities rise and would be expected to increase as prevailing yields for similar securities decline.

Liquidity Risk

The Notes constitute a new issue of securities with no established trading market and there is currently no trading market for the Conversion Preferred Shares. In addition, the Company does not intend to list the Notes or the Conversion Preferred Shares on any exchange. As a result, the trading market for the Notes and the Conversion Preferred Shares may not be active or liquid and purchasers may not be able to resell Notes purchased under this Prospectus Supplement or Conversion Preferred Shares issued upon conversion of the Notes. This may affect the pricing of the Notes and the Conversion Preferred Shares in the secondary market, the transparency and availability of trading prices and the liquidity of the Notes and the Conversion Preferred Shares.

The price offered to the public for the Notes was determined through negotiations with the Agents. As well, the price paid for each Note may bear no relationship to the price at which the Conversion Preferred Shares issuable on conversion of the Notes may trade subsequent to this Offering. If the Notes or Conversion Preferred Shares are traded after their initial issuance, they may trade at a discount from their initial issuance price depending on prevailing interest rates, the market for similar securities, the performance of the Company and other factors. No assurance can be given as to whether an active trading market will develop or be sustained or that Noteholders or holders of Conversion Preferred Shares will be able to sell their Notes or Conversion Preferred Shares at any particular price or at all. To the extent that an active trading market for the Notes or Conversion Preferred Shares does not develop, the liquidity and trading prices for the Notes and the Conversion Preferred Shares may be adversely affected.

Subordination of Notes

The Company's obligations under the Notes will be subordinated in right of payment to the Company's Senior Indebtedness. See "*Description of the Notes – Ranking and Subordination*". As of the date hereof, the Company's Senior Indebtedness totaled approximately \$●.

The Notes are also unsecured obligations of the Company and will not be secured by any of its assets. Therefore, holders of secured indebtedness of the Company will have a claim on the assets securing such indebtedness that ranks in priority to the claims of Noteholders. Although covenants given by the Company in certain agreements may restrict incurring indebtedness, such indebtedness may, subject to certain conditions, be incurred.

Furthermore, the Company is a holding company with substantially all of its consolidated assets held by various Subsidiaries. As a parent entity, the Company is entitled to the residual equity of its Subsidiaries after all the debt obligations of its Subsidiaries are discharged. The Notes will be obligations of the Company and will not be guaranteed by any of its Subsidiaries. As a result, and in addition to the contractual subordination described above, the Notes will be structurally subordinated to all debt and other liabilities of the Company's Subsidiaries. In the event of a bankruptcy, liquidation or reorganization of the Company or its Subsidiaries, holders of indebtedness of the Company (including Noteholders) will be subordinate to holders of indebtedness of, or the interests of policyholders of, the Subsidiaries of the Company.

In addition, in the event of a bankruptcy, liquidation or reorganization of any of the Company's Subsidiaries, holders of indebtedness of the Company (including the Noteholders), as well as shareholders of the Company, will have no right to proceed against the assets of the Subsidiaries. Creditors of the Company's Subsidiaries would be entitled to payment in full from such assets before the Company, as a shareholder, would be entitled to any distribution therefrom.

No Limitation on Indebtedness

The Trust Indenture and the Sixth Series Supplement will not limit the Company or any of its Subsidiaries from incurring additional indebtedness. The degree to which the Company is leveraged on a consolidated basis could have important consequences, including:

- (a) the Company's ability to obtain additional financing for working capital, investment or other purposes may be limited;
- (b) the Company may be unable to refinance indebtedness coming due on terms acceptable to the Company or at all; and
- (c) defaults under other indebtedness may cause an Event of Default under the Notes.

Redemption Prior to Maturity

The Notes may be redeemed at the option of the Company, in whole at any time or in part from time to time, or in whole following the occurrence of a Tax Event or Rating Event, in accordance with its rights and subject to certain conditions for redemptions prior to the Maturity Date, as described under “*Description of the Notes – Redemption – Optional Redemption*” and “*Description of the Notes – Redemption – Redemption on tax Event or Rating Event*”. The Notes are also subject to mandatory redemption at par together with all accrued and unpaid interest, in whole, upon the occurrence of certain events, as described under “*Description of the Notes – Redemption – Mandatory Redemption*”. Noteholders whose Notes are redeemed would not be entitled to participate in any future growth in the market price of the Notes and may not be able to reinvest their redemption proceeds in securities providing a comparable expected rate of return to maturity as the Notes for a comparable level of risk. See “*Description of the Notes – Redemption*”.

Deferral of Interest Payments

So long as no Event of Default has occurred and is continuing, the Company may elect, in its sole option, at any date other than an Interest Payment Date, to defer the interest payable on the Notes on one or more occasions for up to five consecutive years. See “*Description of the Notes – Deferral Right*”. There is no limit on the number of Deferral Periods that may occur. Such deferral will not constitute an Event of Default or any other breach under the Notes, the Trust Indenture and the Sixth Series Supplement.

No Event Risk Protection

The Trust Indenture does not contain any provision that would afford Noteholders protection should the Company be involved in a highly leveraged or similar transaction.

Holding Company Status

The Company acts as an indirect holding company for Genworth Financial Mortgage Insurance Company Canada (doing business as Sagen) and does not have any significant operations of its own. Dividends or other distributions from Genworth Financial Mortgage Insurance Company Canada and, in turn, the Company’s other Subsidiaries are the Company’s principal source of cash to pay shareholder dividends, if declared, and to meet its other obligations. These obligations include the Company’s operating expenses, taxes and interest and principal on its borrowings, including outstanding debt of the Company of \$260 million principal amount of 4.242% debentures due April 1, 2024, \$300 million principal amount of 2.955% debentures due March 1, 2027, \$300 million principal amount of Series 5 Debentures and \$76 million outstanding under the Term Loan which matures in January 2025. The Company may incur additional obligations, including pursuant to its intention to raise incremental debt through one or more credit facilities and/or offerings in connection with closing of the Arrangement. There are or may be statutory, contractual, tax or other limitations on the ability of the Company’s Subsidiaries to make distributions to the Company. If the cash the Company receives from its Subsidiaries pursuant to these distributions is insufficient for it to fund its obligations, or if Genworth Financial Mortgage Insurance Company Canada or its other Subsidiaries are unable to make such distributions, the Company may be required to raise cash through the incurrence of debt, the issuance of additional equity or the sale of assets. However, there can be no assurance that the Company would be able to raise cash by any of these means in a timely manner or on terms that may be beneficial to the Company. The likelihood that holders of the Notes will receive interest payments will therefore be dependent upon the performance, financial position and creditworthiness of the Subsidiaries of the Company.

Prevailing Economic Conditions

Longer term volatility and continued disruptions in the capital and credit markets as a result of uncertainty, including uncertainty related to the COVID-19 pandemic, changing or increased regulation of financial institutions, reduced alternatives or failures of significant financial institutions could adversely affect the Company’s access to the credit needed for its business in the longer term. Such disruptions could require the Company to take measures to conserve cash until the markets stabilize or until alternative credit arrangements or other funding for its business needs can be arranged. Continued market disruptions could cause broader economic downturns, which may lead to

lower demand for certain of the Company's products and services. Events such as these adversely impact the Company's results of operations, cash flows and financial position.

Risks Related to the Conversion Preferred Shares

Dividends on Conversion Preferred Shares

Dividends on the Conversion Preferred Shares, if any when issued, will be payable at the discretion of the Board. See "*Earnings Coverage Ratio*" and "*Description of the Conversion Preferred Shares*" which are relevant to an assessment of the risk that the Company will be unable to pay dividends on the Conversion Preferred Shares. In addition, the Company may in the future incur additional indebtedness, through the Credit Facility or future credit facilities or by issuing debt securities. Any such further incurrence of indebtedness could affect our ability to pay dividends on the Conversion Preferred Shares.

Conversion Preferred Shares Treated as Equity on Insolvency or Winding-Up

The Conversion Preferred Shares, if and when issued, will be equity capital of the Company which rank equally with the Company's other preferred shares, including, without limitation, the Preferred Shares and the Class A Preferred Shares, if any, in the event of an insolvency or winding-up of the Company. If the Company becomes insolvent or is wound up, the Company's assets must be used to pay debt and other liabilities before payments may be made on the Conversion Preferred Shares and other preference shares, if any.

No Fixed Maturity for Conversion Preferred Shares

The Conversion Preferred Shares, if and when issued, will not have a fixed maturity date and will not be redeemable at the option of the holders thereof. Accordingly, the ability of a holder of Conversion Preferred Shares to liquidate its holdings of Conversion Preferred Shares may be limited.

Redemption of the Conversion Preferred Shares

Conversion Preferred Shares, if and when issued, may be redeemed at the option of the Company in whole at any time or in part from time to time, subject to certain conditions for redemptions. Holders of Conversion Preferred Shares whose Conversion Preferred Shares are redeemed would not be entitled to participate in any future growth in the market price of the Conversion Preferred Shares and may not be able to reinvest their redemption proceeds in securities providing a comparable expected yield as the Conversion Preferred Shares for a comparable level of risk. See "*Description of the Conversion Preferred Shares – Redemption of Conversion Preferred Shares*".

Limited Voting Rights of Conversion Preferred Shares

Holders of Conversion Preferred Shares will not be entitled to receive notice of or to attend or vote at meetings of the shareholders of the Company, except as required by law. See "*Description of the Conversion Preferred Shares – Voting Rights*".

Risks Related 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. If, for any reason, the Arrangement is materially delayed, the market price or value or the liquidity of the Notes may be materially adversely affected. Furthermore, if, for any reason, the Arrangement is not completed by the Outside Date and/or the Arrangement Agreement is terminated, the Notes will be subject to mandatory redemption at par together with all accrued and unpaid interest, as described under "*Description of the Notes – Redemption – Mandatory Redemption*".

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of the Company's control, including the receipt of the prior written approval of the Minister of Finance (Canada) pursuant to Subsections 407(1) and 407.1(1) of the *Insurance Companies Act* (Canada) in connection with the Arrangement. There can be no certainty, nor can the Company provide any assurance, that all conditions precedent to the Arrangement will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If, for any reason, the Arrangement is not completed by the Outside Date and/or the Arrangement Agreement is terminated, the Notes will be subject to mandatory redemption at par together with all accrued and unpaid interest, as described under "*Description of the Notes – Redemption – Mandatory Redemption*". See "*– Risks Related to the Offering – Market Value Risk*".

Termination in Certain Circumstances

Each of the Company and Falcon Holding Acquisition Corporation has the right, in certain circumstances, in addition to termination rights relating to the failure to satisfy the conditions of closing of the Arrangement as provided for in the Arrangement Agreement, 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 the Company or by Falcon Holding Acquisition Corporation prior to the completion of the Arrangement. The Company'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 fees, financial advisor fees, depositary fees and printing and mailing costs, which will be payable whether or not the Arrangement is completed and may cause harm to the financial condition of the Company. If the Arrangement is terminated, there can be no assurance that any party would be willing to enter into a similar transaction, including at an equivalent or more attractive price than the consideration to be paid by Falcon Holding Acquisition Corporation pursuant to the Arrangement.

If, for any reason, the Arrangement is not completed by the Outside Date and/or the Arrangement Agreement is terminated, the Notes will be subject to mandatory redemption at par together with all accrued and unpaid interest, as described under "*Description of the Notes – Redemption – Mandatory Redemption*". See "*– Risks Related to the Offering – Market Value Risk*".

Interim Period Covenants

Under the Arrangement Agreement, the Company agreed that, among other things, during the period from the date of the Arrangement Agreement until the earlier of the effective time of the Arrangement and the time the Arrangement Agreement is terminated in accordance with its terms, it would, and would cause its Subsidiaries to, conduct business in the "Ordinary Course" (as such term is defined in the Arrangement Agreement) and in accordance with applicable laws, and it would, and would cause its Subsidiaries (as defined in National Instrument 45-106 – *Prospectus Exemptions*) to, use commercially reasonable efforts to maintain and preserve intact the current business organization, assets and properties of the Company and its Subsidiaries. The Company cannot guarantee that it will continue to operate in the "Ordinary Course" during the interim period or that it will be able to maintain intact the current business organization, assets and properties of the Company and its Subsidiaries. The Arrangement Agreement also restricts the Company from taking certain specified actions during the interim period without the consent of Falcon Holding Acquisition Corporation until the Arrangement is completed. Such restrictions may prevent the Company from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement.

Occurrence of a "Material Adverse Effect"

The completion of the Arrangement is subject to the condition that, among other things, at the time of closing of the Arrangement as provided for in the Arrangement Agreement, no "Material Adverse Effect" (as defined in the Arrangement Agreement) shall have occurred since the date of the Arrangement Agreement. 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 of the Arrangement. If such a "Material Adverse Effect" occurs and Falcon Holding Acquisition Corporation does not waive same, the Arrangement would not proceed. If, for any reason, the Arrangement is not completed by the Outside Date and/or the Arrangement Agreement is terminated, the Notes will be subject to

mandatory redemption at par together with all accrued and unpaid interest, as described under “*Description of the Notes – Redemption – Mandatory Redemption*”. See “– *Risks Related to the Offering – Market Value Risk*”.

Uncertainty Surrounding the Arrangement

As the Arrangement remains dependent upon satisfaction of a number of conditions precedent, its completion is not certain. In response to this uncertainty, the attention of the Company’s management could be diverted from the day-to-day operations of the business and customers, employees, suppliers or partners may delay or defer decisions concerning the Company or may seek to modify or terminate their business relationship with the Company. Any delay or deferral of those decisions or modification or termination of business relationships by customers, employees, suppliers or partners 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, employees, suppliers or partners and other stakeholders may be adversely affected. Changes in such relationships could adversely affect the business and operations of the Company.

If, for any reason, the Arrangement is not completed by the Outside Date and/or the Arrangement Agreement is terminated, the Notes will be subject to mandatory redemption at par together with all accrued and unpaid interest, as described under “*Description of the Notes – Redemption – Mandatory Redemption*”. See “– *Risks Related to the Offering – Market Value Risk*”.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Blake, Cassels & Graydon LLP, counsel to the Company, and Stikeman Elliott LLP, counsel to the Agents, (collectively, “**Counsel**”), the following is a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a beneficial holder of Notes who acquires Notes under the Offering and who, for purposes of the Tax Act and at all relevant times: (i) is, or is deemed to be, resident in Canada; (ii) deals at arm’s length with the Company, the Agents and all of their affiliates and is not affiliated with the Company, the Agents or any of their affiliates; (iii) holds Notes or any Conversion Preferred Shares received upon an Automatic Conversion as capital property (a “**Resident Holder**”). Generally, the Notes and the Conversion Preferred Shares will be considered to be capital property to a Resident Holder, provided the Resident Holder does not hold the Notes or Conversion Preferred Shares in the course of carrying on a business and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. Certain Resident Holders who might not otherwise be considered to hold their Notes or Conversion Preferred Shares as capital property may, in certain circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Notes or Conversion Preferred Shares (as applicable) and every other “Canadian security” (as defined in the Tax Act) owned by such Resident Holder in the taxation year in which the election is made and in subsequent taxation years, deemed to be capital property. Resident Holders considering such election should consult their own tax advisors.

This summary is not applicable to a Resident Holder: (i) that is a “financial institution” for purposes of the “mark-to-market rules” in the Tax Act; (ii) that is a “specified financial institution” for the purposes of the Tax Act; (iii) that has elected to report its “Canadian tax results” for the purposes of the Tax Act in a currency other than Canadian currency; (iv) an interest in which is a “tax shelter investment” (as defined in the Tax Act); or (v) that has or will enter into a “derivative forward agreement” (as defined in the Tax Act) with respect to the Notes or Conversion Preferred Shares. Such Resident Holders should consult their own tax advisors to determine the tax consequences to them of the acquisition, holding and disposition of Notes and Conversion Preferred Shares. In addition, this summary does not address the deductibility of interest by a Resident Holder who has borrowed money or otherwise incurred debt in connection with the acquisition of the Notes.

This summary is based upon the current provisions of the Tax Act in force as of the date hereof, 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 “**Tax Proposals**”) and Counsel’s understanding of the administrative policies and assessing practices of the Canada Revenue Agency (“**CRA**”) published in writing and publicly available prior to the date hereof. This summary is not exhaustive of all Canadian federal income tax considerations and, except for the Tax

Proposals, does not take into account or anticipate any changes in law or CRA administrative policies or assessing practices, whether by way of legislative, governmental or judicial decision or action, nor does it take into account or consider any other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein. While this summary assumes that the Tax Proposals will be enacted in the form proposed, no assurance can be given that such proposals will be enacted in their current form, or at all.

This summary is of a general nature only and is not, and is not intended to be, and should not be construed to be, legal or tax advice to any particular Resident Holder and no representation with respect to the tax consequences to any particular Resident Holder is made. Prospective purchasers of Notes should consult their own tax advisors with respect to the tax consequences of acquiring, holding and disposing of Notes having regard to their own particular circumstances.

Notes

Interest on the Notes

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on the Notes that accrues (or is deemed to accrue) to the Resident Holder to the end of the particular taxation year or that has become receivable by or is received by the Resident Holder before the end of that taxation year, except to the extent that such interest was included in computing the Resident Holder's income for a preceding taxation year.

Any other Resident Holder, including an individual (other than certain trusts), will be required to include in income for a taxation year all interest on Notes that is received or receivable by such Resident Holder in that taxation year (depending upon the method regularly followed by the Resident Holder in computing income), except to the extent that the interest was included in the Resident Holder's income for a preceding taxation year. In addition, if at any time a Note should become an "investment contract" (as defined in the Tax Act) in relation to a Resident Holder, such Resident Holder will be required to include in computing the Resident Holder's income for a taxation year any interest that accrues to the Resident Holder on the Note up to the end of any "anniversary day" (as defined in the Tax Act) in the year to the extent such interest was not otherwise included in the Resident Holder's income for that year or a preceding taxation year. The investment contract provisions of the Tax Act will generally apply during any Deferral Period to require Resident Holders who would not otherwise include accrued but unpaid interest in their income to include interest that accrues during the Deferral Period on an annual basis.

Any premium paid by the Company to a Resident Holder as a bonus or penalty on a redemption or repayment of Notes before maturity (other than in the open market in the manner any such obligation would normally be purchased in the open market by any member of the public) will generally be deemed to be interest received at that time by such Resident Holder, but only to the extent that such premium can reasonably be considered to relate to, and does not exceed the value at that time of, the interest that would have been paid or payable by the Company on Notes for taxation years of the Company ending after that time. Such amount will be required to be included in computing the Resident Holder's income in the manner described above.

Dispositions of Notes and Automatic Conversion

On a disposition or deemed disposition of Notes by a Resident Holder, including a purchase or redemption by the Company, an Automatic Conversion, or a repayment by the Company upon maturity, a Resident Holder will generally be required to include in computing its income for the taxation year in which the disposition occurred the amount of interest (including amounts considered to be interest) that has accrued or been deemed to accrue on the Notes from the date of the last interest payment to the date of disposition to the extent that such amount has not otherwise been included in the Resident Holder's income for the taxation year or a previous taxation year.

In general, on a disposition or deemed disposition of Notes, a Resident Holder will realize a capital gain (or a capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount required to be included in the Resident Holder's income as interest or otherwise, exceed (or are exceeded by) the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition.

On an Automatic Conversion, the proceeds of disposition of the Notes held by a Resident Holder will be equal to the fair market value of the Conversion Preferred Shares received by the Resident Holder on such conversion except to the extent a portion of such shares are, or are deemed to be, received by the Resident Holder in respect of interest on the Notes and the cost of the Conversion Preferred Shares received on such conversion will be the fair market value of each such Conversion Preferred Share. In general, where a Resident Holder has disposed of Notes at fair market value, there may be deducted in computing the Resident Holder's income the amount of accrued interest included in the Resident Holder's income to the extent such amount was not received or receivable by the Resident Holder in the year of disposition or a previous year.

Conversion Preferred Shares

Dividends

Dividends (including a deemed dividend) received on Conversion Preferred Shares held by a Resident Holder will be included in computing the Resident Holder's income for purposes of the Tax Act. Such dividends received by a Resident Holder who is an individual (other than certain trusts) will be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to dividends received from taxable Canadian corporations, including the enhanced gross-up and dividend tax credit in respect of dividends designated by the Company as eligible dividends in accordance with the provisions of the Tax Act. There may be restrictions on the ability of the Company to designate any particular dividend as an "eligible dividend".

A Resident Holder that is a corporation will include such dividends in computing its income and generally will be entitled to deduct the amount of such dividends in computing its taxable income. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations are urged to consult their own tax advisors having regard to their particular circumstances.

A Resident Holder that is a "private corporation" or "subject corporation" (each as defined in the Tax Act) may be liable to pay a refundable tax under Part IV of the Tax Act on dividends received or deemed to be received on the Conversion Preferred Shares to the extent such dividends are deductible in computing the Resident Holder's taxable income.

Taxable dividends received by a Resident Holder who is an individual (other than certain trusts) may result in such Resident Holder being liable for alternative minimum tax under the detailed rules set out in the Tax Act. Resident Holders who are individuals are urged to consult their own tax advisors having regard to their particular circumstances.

The Conversion Preferred Shares will be "taxable preferred shares" (as defined in the Tax Act). The terms of the Conversion Preferred Shares require the Company to make the necessary election under Part VI.1 of the Tax Act so that corporate Resident Holders will not be subject to tax under Part IV.1 of the Tax Act on dividends received (or deemed to be received) on the Conversion Preferred Shares.

Dispositions of Conversion Preferred Shares

A Resident Holder who disposes of or is deemed to dispose of Conversion Preferred Shares (other than as discussed under the heading "*Conversion Preferred Shares – Redemption or Other Acquisition by the Company*" below) will generally realize a capital gain (or a capital loss) to the extent that the Resident Holder's proceeds of disposition exceed (or are less than) the aggregate of the Resident Holder's adjusted cost base thereof and any reasonable costs of disposition.

Redemption or Other Acquisition by the Company

If the Company redeems for cash or otherwise acquires the Conversion Preferred Shares (other than by a purchase in the open market in the manner in which shares are normally purchased by a member of the public in the open market), the Resident Holder will be deemed to have received a dividend equal to the amount, if any, paid by the

Company in excess of the paid-up capital of such shares for purposes of the Tax Act at such time. Such deemed dividend will be subject to the treatment described under the heading “*Conversion Preferred Shares – Dividends*” above. The difference between the amount paid and the amount of the deemed dividend will be treated as proceeds of disposition for the purposes of computing the capital gain or capital loss arising on a disposition of such shares.

Taxation of Capital Gains and Capital Losses

One-half of the amount of any capital gain (a “**taxable capital gain**”) realized by a Resident Holder in a taxation year will generally be included in the Resident Holder’s income for 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 by the Resident Holder in the year. Any excess allowable capital losses over taxable capital gains of the Resident Holder for that year may be carried back up to three taxation years or forward indefinitely and deducted against net taxable capital gains in those other years, subject to the detailed provisions of the Tax Act.

If the Resident Holder is a corporation, any capital loss realized on a disposition or deemed disposition of Conversion Preferred Shares may in certain circumstances be reduced by the amount of any dividends, including deemed dividends, which have been received on such Conversion Preferred Shares (or any share for which any Conversion Preferred Share has been substituted). Similar rules may apply where a corporation is a member of a partnership or beneficiary of a trust that owns Conversion Preferred Shares, or where a partnership or trust which a corporate Resident Holder is a member or beneficiary is itself a member of a partnership or a beneficiary of a trust that owns Conversion Preferred Shares.

A Resident Holder that is an individual, including certain trusts, may be liable for alternative minimum tax as a result of realizing a capital gain.

Additional Refundable Tax

A Resident Holder that is, throughout the year, a Canadian-controlled private corporation (as defined in the Tax Act) may be liable to pay an additional refundable tax on its “aggregate investment income” (as defined in the Tax Act), including amounts in respect of interest, dividends received or deemed to be received that are not deductible in computing income for a year and the amount of any taxable capital gains.

RELATIONSHIP BETWEEN THE COMPANY AND THE AGENTS

RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., and TD Securities Inc. are indirect, wholly-owned subsidiaries of affiliates of Canadian chartered banks, which are customers of the Company. RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., and TD Securities Inc. are also affiliates of Canadian chartered banks that are members of the lending syndicate to the Company under the Credit Facility. Affiliates of RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., and TD Securities Inc. are also parties to ISDA agreements with the Company and in the ordinary course of their various business activities may enter into certain derivative, swap or other arrangements with the Company or its subsidiaries from time to time. Scotia Capital Inc. was retained by the special committee of the Board in connection with the Arrangement to provide an independent, formal valuation in accordance with the requirements of MI 61-101 and to deliver a fairness opinion and received a fixed fee for providing such services. Accordingly, the Company may be considered to be a “connected issuer” of RBC Dominion Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., National Bank Financial Inc., Scotia Capital Inc., and TD Securities Inc. within the meaning of applicable securities legislation.

As at the date hereof, the Company has \$76 million outstanding under the Credit Facility and is in compliance in all material respects with its covenants.

None of the Agents will receive any benefit from the Offering other than their respective share of the Agents’ Fee.

None of the above-referenced banks, credit unions or other affiliates of the Agents had any involvement in the decision to distribute the Notes.

To the knowledge of the Company, none of the above-referenced Agents nor their parent entities will receive any proceeds of the Offering other than the applicable Agent's portion of the Agents' Fee.

LEGAL MATTERS

In connection with the issue and sale of the Notes, certain legal matters will be passed upon by Blake, Cassels & Graydon LLP on behalf of the Company and by Stikeman Elliott LLP on behalf of the Agents. As of the date hereof, the partners and associates of Blake, Cassels & Graydon LLP and Stikeman Elliott LLP, each as a group beneficially own, directly or indirectly, less than 1% of the outstanding securities of the Company or any associated party or affiliate of the Company.

AUDITORS AND INDENTURE TRUSTEE

The Company's current external auditors are Ernst & Young LLP, located at 100 Adelaide Street West, PO Box 1, Toronto, Ontario M5H 0B3. Ernst & Young LLP have confirmed with respect to the Company that they are independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

The Company's predecessor external auditors for the year ended December 31, 2019 and for the period from January 1, 2020 to February 28, 2020 were KPMG LLP, located at Suite 4600, Bay Adelaide Centre, 333 Bay Street, Toronto, Ontario M5H 2S5. KPMG LLP have confirmed with respect to the Company that they were independent within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulations.

The Trustee is BNY Trust Company of Canada at its principal office in Toronto, Ontario.

CERTIFICATE OF AGENTS

Dated: March ●, 2021

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, constitutes full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of all the provinces and territories of Canada.

RBC
DOMINION
SECURITIES
INC.

(signed) “●”

BMO NESBITT
BURNS INC.

(signed) “●”

CIBC WORLD
MARKETS INC.

(signed) “●”

NATIONAL
BANK
FINANCIAL
INC.

(signed) “●”

SCOTIA
CAPITAL INC.

(signed) “●”

TD
SECURITIES
INC.

(signed) “●”

APPENDIX A – INVESTOR PRESENTATION

[See attached]



SAGEN™

Presentation to Fixed Income Investors

—
February 26, 2021

This document contains confidential non-public information. Further distribution of this document is strictly prohibited.

A final base shelf prospectus containing important information relating to the securities described in this document has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the final base shelf prospectus, any amendment to the final base shelf prospectus and any applicable shelf prospectus supplement that has been filed, is required to be delivered with this document. The final base shelf prospectus of Sagen MI Canada Inc. in connection with the securities described in this document is available at www.sedar.com. This document does not provide full disclosure of all material facts relating to the securities offered. Investors should read the final base shelf prospectus, any amendment and any applicable shelf prospectus supplement for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

Forward-looking and non-IFRS statements



Public communications, including oral or written communications such as this document, relating to Sagen MI Canada Inc. (the “Company” or “Sagen”) often contain certain forward-looking statements. These forward-looking statements include, but are not limited to, statements with respect to the impact of any potential guideline changes by the Office of the Superintendent of Financial Institutions (OSFI) or legislative changes introduced in connection with the Protection of Residential Mortgage or Hypothecary Insurance Act; the effect of changes to the mortgage insurance rules, including government guarantee mortgage eligibility rules; the effect of the government measures and programs in response to the COVID-19 pandemic; the expected closing date of the arrangement (the “Arrangement”) between the Company and Brookfield Business Partners L.P., together with its institutional partners (collectively, “Brookfield”), the receipt of required approvals relating to the Arrangement, Brookfield’s ownership or control over the Company’s common shares following the Arrangement; the Company’s beliefs as to housing demand and home price appreciation, key macroeconomic factors, unemployment rates; as well as the Company’s future operating and financial results, sales expectations regarding premiums written, capital expenditure plans, dividend policy and the ability to execute on its future operating, investing and financial strategies, the Canadian housing market, and other statements that are not historical facts. These forward-looking statements may be identified by their use of words such as “may”, “would”, “could”, “will”, “intend”, “plan”, “anticipate”, “believe”, “seek”, “propose”, “estimate”, “expect”, and similar expressions. These statements are based on the Company’s current assumptions, including assumptions regarding economic, global, political, business, competitive, market and regulatory matters. These forward-looking statements are inherently subject to significant risks, uncertainties and changes in circumstances, many of which are beyond the ability of the Company to control or predict. The Company’s actual results may differ materially from those expressed or implied by such forward-looking statements, including as a result of changes in the facts underlying the Company’s assumptions, and the other risks described in the Company’s most recently filed Annual Information Form, Short Form Base Shelf Prospectus, Management’s Discussion and Analysis and all documents incorporated by reference in such documents. Management’s current views regarding the Company’s financial outlook are stated as of the date hereof and may not be appropriate for other purposes. Other than as required by applicable laws, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments or otherwise.

To supplement its financial statements, the Company uses select non-IFRS financial measures. Such non-IFRS financial measures include net operating income, operating earnings per common share (basic), operating earnings per common share (diluted), operating return on equity, insurance in-force, new insurance written, loss ratio, expense ratio, combined ratio, investment yield, Mortgage Insurer Capital Adequacy Test (MICAT) and Minimum Capital Test (MCT). The Company believes that these non-IFRS financial measures provide meaningful supplemental information regarding its performance and may be useful to investors because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision making. Non-IFRS measures do not have standardized meanings and are unlikely to be comparable to any similar measures presented by other companies. These measures are defined in the Company’s glossary, which is posted on the Company’s website at <https://www.sagen.ca/about/investor-relations/>. A reconciliation from non-IFRS financial measures to the most readily comparable measures calculated in accordance with IFRS, where applicable, can be found in the Company’s most recent Management’s Discussion and Analysis, which is posted on the Company’s website and is also available at www.sedar.com.

Sagen MI Canada Overview

(formerly Genworth MI Canada Inc.)



COMPANY FACTS (Q4 2020)

\$7.2 billion
Total assets

\$3.9 billion
Shareholders' equity

187%
MICAT Ratio

AA
OpCo* Financial Strength Rating (DBRS)

Pending Brookfield acquisition¹

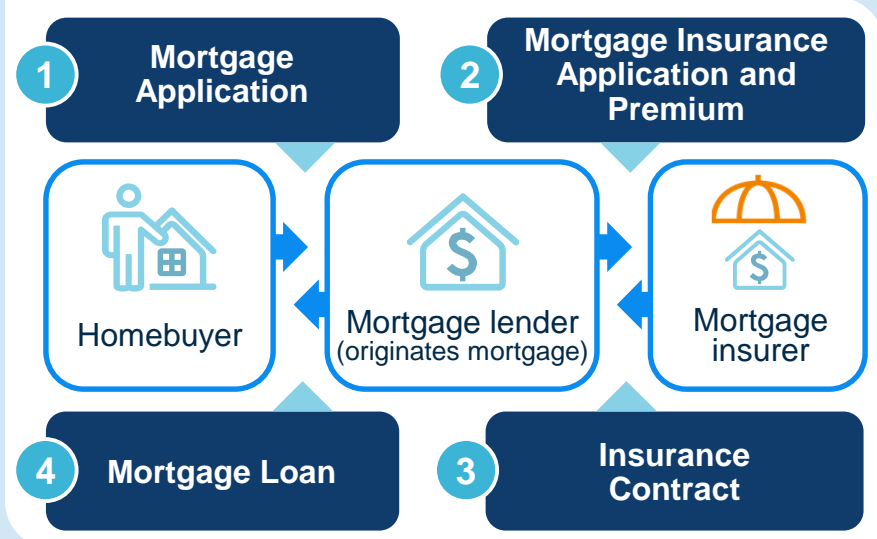


SERVED MARKET³

Primarily first time homebuyers with:

- Largely **25-45** age demographic
- **\$113k** average household income...**73%** multiple borrowers
- Prime borrowers

WHAT WE DO²



MORTGAGE INSURANCE PRODUCT

- Mandatory for less than 20% down payment
- 100% coverage protects lender against default risk
- Upfront non-refundable premium
- Capital relief for lenders
- Owner occupied purchases only
- Max 95% LTV
- Max 25 year amortization
- Max total debt service ratio of 44% under mortgage rate stress test

*Genworth Financial Mortgage Insurance Company Canada
3 SAGEN | Investor Presentation

1. Brookfield currently owns 57% of Sagen and has entered into a definitive agreement to acquire the remaining 43% of the common shares of Sagen that it does not already own which is expected to close in the first half of 2021.
2. Denotes transactional mortgage insurance
3. January 2020 – December 2020 timeframe; purchase business only.



Investment Highlights



Proactive and sustainable business model

- Mortgage insurance is mandatory for LTV > 80%
- Prudential measures have eliminated higher risk products (100% LTV, > 25-year amortizations, refinances, \$1M property cap)
- Highly cash generative business with stable and attractive return profile

Experts in managing mortgage default risk

- Average credit score on new transactional business of 752+ (vs. 727 in 2010)
- Leveraging advanced analytics (25+ years of performance data) in underwriting and risk management
- Proactive loss mitigation program assists borrowers in need, with solid success rates
- Stress testing confirms that regulatory capital calibrated to a severe tail event (1 in 200 years)
- Loss ratio has ranged between 10% and 22% for each of the last 5 years and is expected to be in the range of 15 to 25% in 2021

Clear strategy for prudent organic growth

- Strong relationships with top 10 Canadian mortgage lenders
- Differentiated through enhanced customer experience, product development and thought leadership
- Strong market share momentum from 2020 expected to continue over the near and medium term

Supportive market and regulatory environment

- OSFI has been proactive in addressing emerging risk
 - Required capital has increased multiple times in the past decade
 - B-20 / B-21 has defined underwriting requirements for lenders and mortgage insurers
- Government guarantee product restrictions add an additional layer of prudence
 - Maximum debt service ratios: Gross Debt Service / Total Debt Service of 39% / 44%
 - Mortgage rate stress test in place since November 2016

Strong financial position & stable sponsorship

- MICAT of 187% at December 31, 2020 in excess of regulatory minimum of 150% and target long run operating range of 160-165%
- Committed to maintaining current investment grade credit ratings following privatization
- Brookfield sponsorship supports management's business plan and improves organizational stability



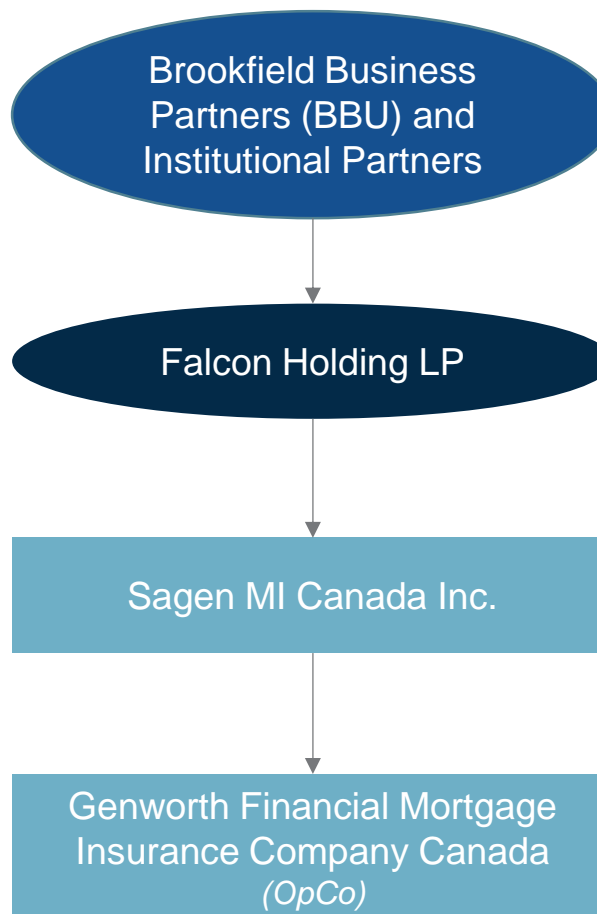
Brookfield Transaction

Brookfield has entered into a definitive agreement to acquire the remaining 43% of the Company's common shares that it does not already own which is expected to close in the first half of 2021.

Brookfield currently owns 57% of Sagen through Falcon Holding LP and has entered into a definitive agreement to acquire the remaining 43% of Sagen it does not already own.

Brookfield's intention is to partner with management to prudently grow and invest in the business.

Both Sagen and Brookfield are committed to maintaining the Company's current investment grade ratings.



Current Credit Rating:

HoldCo (Issuer):

S&P: BBB+

DBRS: A (high)

OpCo (Financial Strength):

S&P: A+

DBRS: AA

Strategic Benefits from Brookfield Transaction

Market Share and Strategic Growth

- Strong sponsor positive for ongoing market share momentum
- Opportunities for business growth and prudent expansion

Strengthened Operations Focus

- Aligns focus and strategy with long-term business objectives and value creation
- Reduces public company inefficiencies

Investment Portfolio

- Continued portfolio optimization with further opportunities and flexibility under Brookfield's full ownership
- Investment management support and expertise from Brookfield and Oaktree

Capital Flexibility

- Increased capital management and dividend flexibility, with a focus on enhancing ROE and building long-term value
- Benefit from Brookfield's financial strength and access to capital

Brookfield Sponsorship

- Stable ownership from established sponsor with long-term investment focus
- No changes to operating strategy and/or risk appetite – will partner with existing management team and bring complementary strengths to an already strong business

Brookfield's ownership is positive for long-term stability and growth of the business. Sagen is committed to maintaining current investment grade ratings following the Brookfield transaction.

Business Update



SAGEN™

2020 Financial Results



<i>\$MM except EPS & BVPS</i>	2020	Q4'20	2019	Q4'19
Transactional premiums written	\$903	\$335	\$677	\$177
Portfolio premiums written	90	20	24	5
Total premiums written	\$993	\$354	\$701	\$183
Premiums earned	697	181	679	171
Losses on claims	(112)	(18)	(116)	(34)
Expenses	(140)	(38)	(136)	(35)
Underwriting income	\$445	\$125	\$427	\$102
Operating investment income	196	46	225	55
Net operating income	\$461	\$124	\$466	\$112
Net income	\$441	\$124	\$426	\$108
Operating EPS (diluted)	\$5.33	\$1.43	\$5.38	\$1.30
Book value per share (diluted, incl. AOCI)	\$44.68	\$44.68	\$44.58	\$44.58

2020 highlights

- Transactional premiums written were higher Y/Y on increased housing activity and market share
- Premiums earned up Y/Y on strength of 2019 and 2020 books
- Loss ratio of 16%, down 1 point Y/Y
- Operating investment income down Y/Y due to the low rate environment
- Net operating income down \$5M and Operating EPS down by 1% primarily due to lower operating investment income
- Book value per share consistent with prior year

Strong Balance Sheet



Well-capitalized with ~\$7.0B in cash and high-quality investments as well as ~\$2.4B of unearned premiums which represent future revenues and have embedded equity.

(\$ millions)	Dec. 31, 2020	Dec. 31, 2019	Dec. 31, 2018
Assets			
Cash and investments	\$ 6,980	\$ 6,415	\$ 6,400
Other assets	491	404	489
Total assets	\$ 7,471	\$ 6,820	\$ 6,889
Liabilities			
Loss reserves	186	141	124
Unearned premiums	2,406	2,111	2,089
Long-term debt	634	436	434
Other liabilities	371	264	253
Total liabilities	3,597	2,952	2,899
Shareholders' equity (incl. AOCI)	3,874	3,868	3,990
Total liabilities and equity	\$7,471	\$ 6,820	\$ 6,889
MICAT Ratio	187%	170%	172%
Debt-to-Total Capital	14%	10%	10%
Interest Coverage	25x	26x	27x



High quality investments with ~92% inv. grade fixed income



\$2.4B unearned premiums represents future revenues largely over the next 5 years



Strong capital position with 187% MICAT ratio

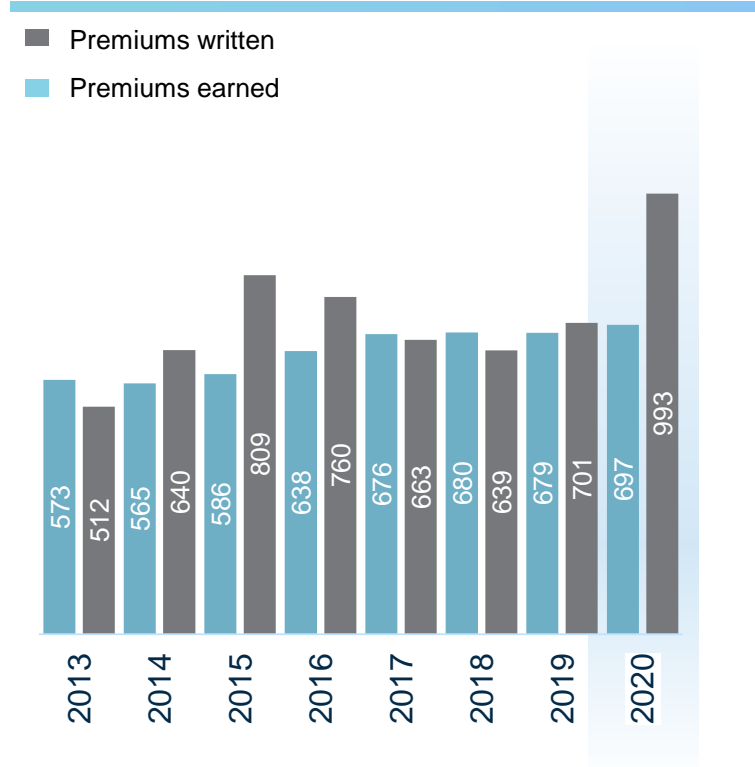
Note: Values in takeaway boxes as at 4Q20. Amounts may not total due to rounding. Interest coverage excludes fee on early redemption of long-term debt.



Resilient Earnings Profile

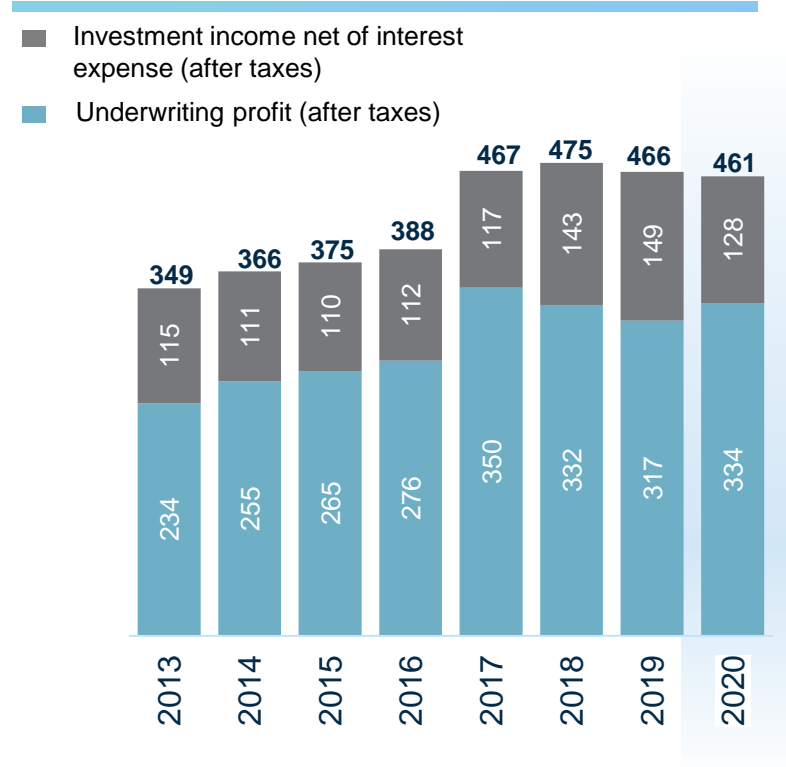
Premiums Written & Earned

(C\$ millions)



Overall Profitability

(C\$ millions)



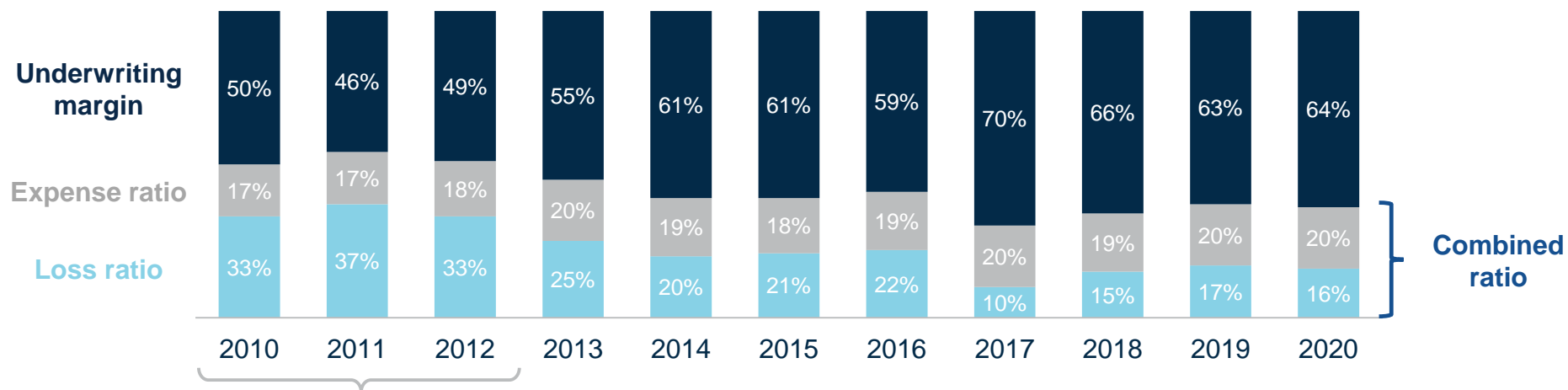
Solid track record of underwriting performance and overall profitability



Consistent Underwriting Performance

Loss ratio has been between 10 and 22% for the last 5 years, and the business continues to generate strong underwriting margins despite COVID-19.

Strong underwriting activity in 2020 will translate into higher future premiums earned, creating visibility into future earnings.

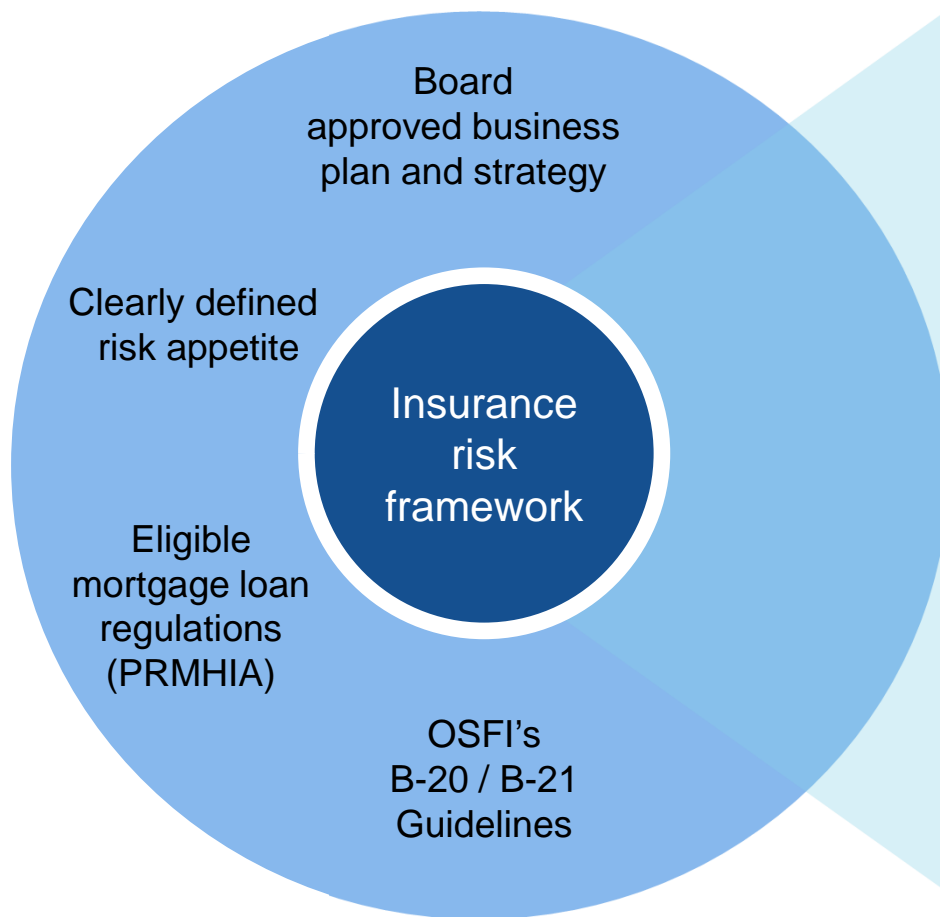


- Losses remained high for a longer period coming out of '08/09 recession
- Nearly half of losses resulted from products that are no longer offered today (i.e. >\$1M purchase price, re-financings, 100% LTV, 40-year amort., no GDS cap)



Risk Management Framework

Strong risk governance & supportive regulatory environment

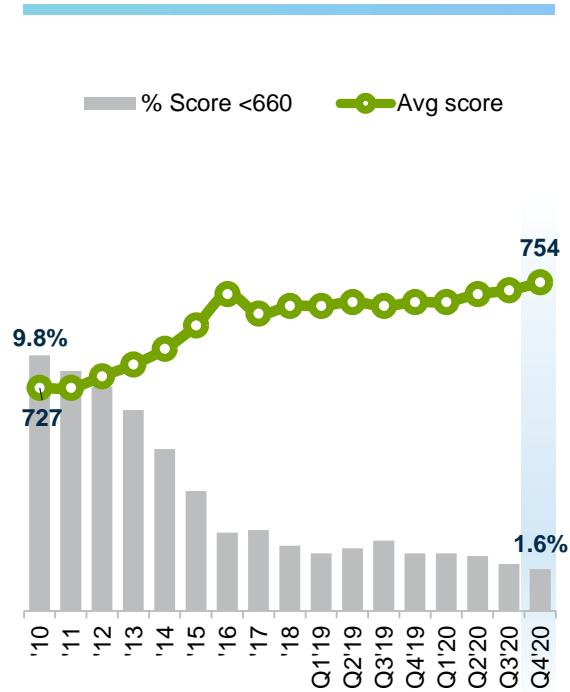


- Deep understanding of economic and housing markets
- Proprietary mortgage scoring model and disciplined underwriting
- Robust internal and lender quality assurance routines
- Dynamic monitoring of portfolio quality and stress testing
- Proactive loss mitigation strategies



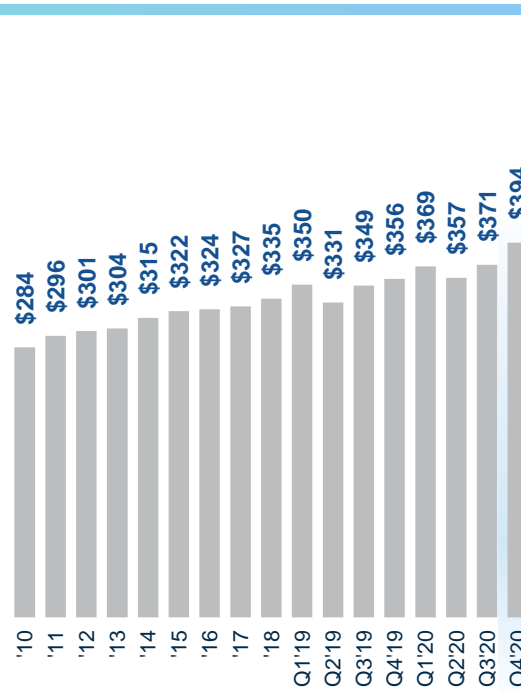
Portfolio Quality Remains Strong

Credit Score¹



Credit quality remains very strong

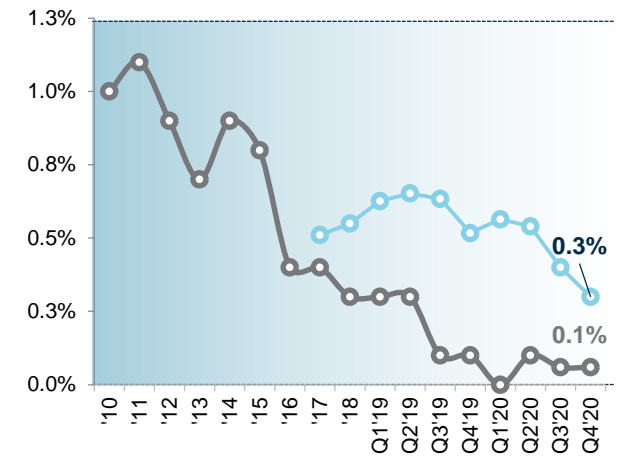
Average Home Price² (In '\$000s)



Strong demand boosts average home prices

Stacked Risk Factors³

	Credit Score	Ratio*	LTV
●	Avg ≤ 660	Contractual TDSR > 40%	90-95%
●	Max ≤ 680	Compliance GDSR/TDSR > 35%/42%	90-95%



Limited exposure to loans with **stacked risk factors**

*GDSR or Gross Debt Service Ratio means the borrowers' total monthly housing related costs (mortgage payment, property taxes, condo fees and utilities) as a percentage of borrower's monthly gross income. TDSR or Total Debt Service Ratio means the borrowers' total monthly housing related costs and all other monthly debt obligations as a percentage of borrowers' monthly gross income.

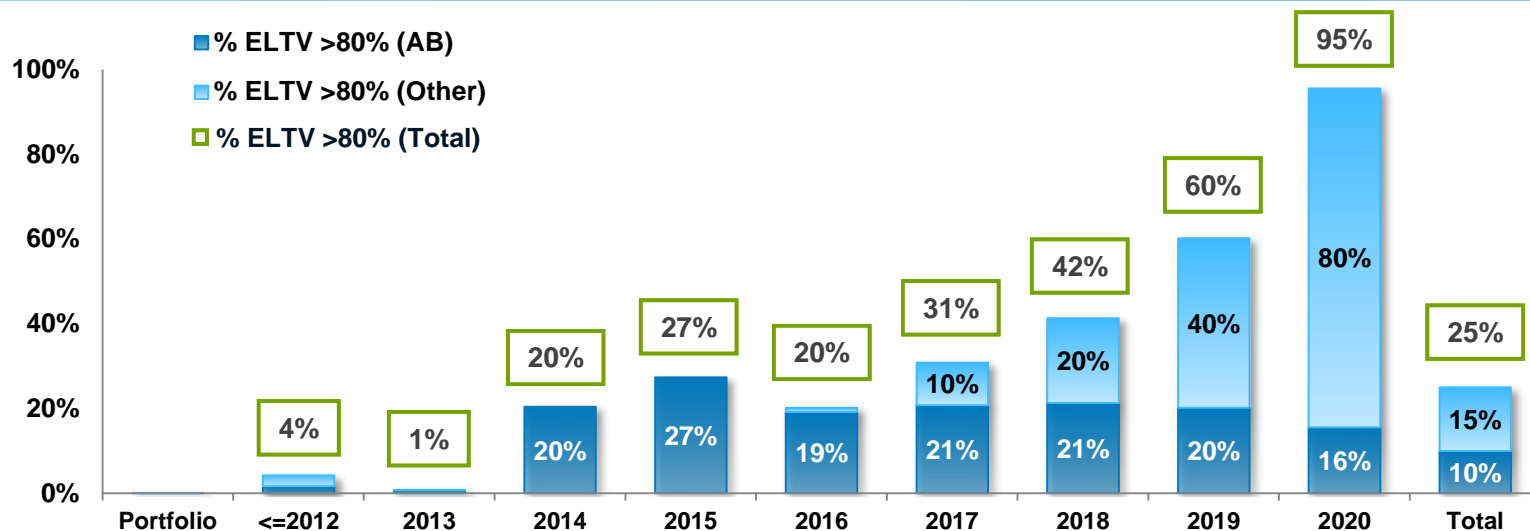
1. Company sources for transactional new insurance written. Average score for all borrowers.
 2. Company sources for transactional new insurance written. Purchase only.
 3. Compliance ratios are calculated using the Bank of Canada qualifying rate, which was 4.79% at December 31, 2020.



National Risk-In-Force (RIF)

% of Total Business With an Effective Loan-to-Value (ELTV) >80% by Book Year¹

(As at December 31, 2020)



Avg Effective LTV	31%	36%	52%	58%	61%	64%	73%	78%	82%	90%	45%
O/S IMB ² (\$B) as at Q4'19	\$79	\$25	\$6	\$9	\$15	\$15	\$15	\$16	\$19	-	\$200
O/S IMB ³ (\$B) as at Q4'20	\$78	\$21	\$5	\$8	\$11	\$12	\$13	\$15	\$18	\$26	\$206

**2018 vintages and prior benefiting from house price growth and principal reduction
Economic slowdown starting in 2015 keeping Alberta on risk longer**

Note: Totals may not add due to rounding.

1. Effective LTV calculated using Teranet Composite 11 HPI.

2. Based on outstanding balance of insured mortgages as reported by lenders to the Company as at Dec 31, 2019 of \$200B.

3. Based on outstanding balance of insured mortgages as reported by lenders to the Company as at Dec 31, 2020 of \$206B.

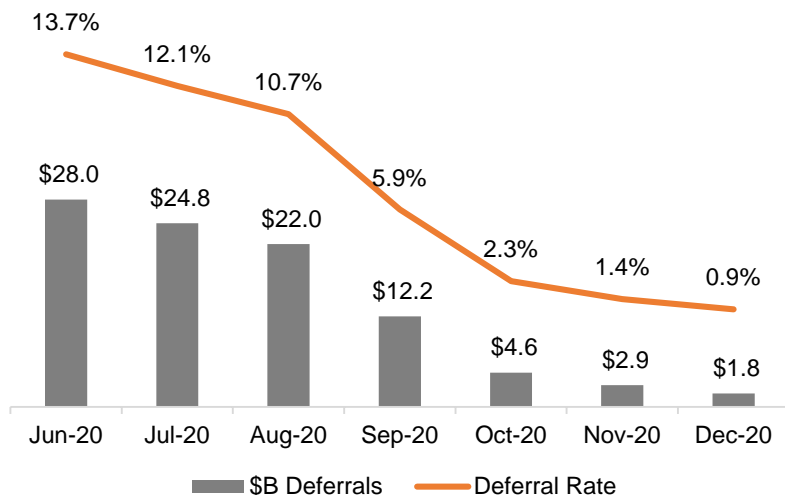


Payment Deferrals Winding Down

0.9% (\$1.8B) of risk-in-force remains in deferral representing a significant decline from 13.7% (\$28.0B) in June. Of the remaining deferrals, ~65% have an effective LTV <80%.

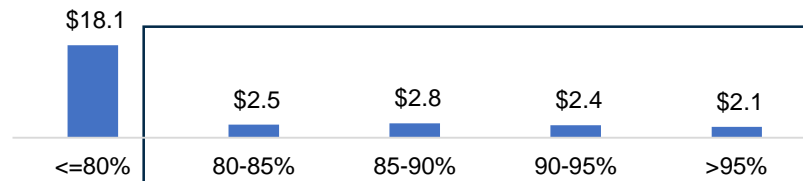
Proactive loss mitigation efforts supporting orderly transition for payment deferrals.

Deferral Roll-Off

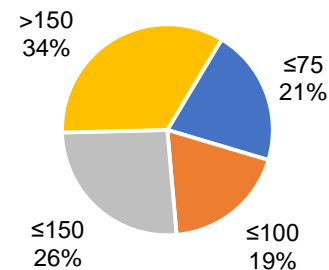


June 2020 Deferrals By Effective LTV (\$28B)

35% (\$9.8B RIF) of deferrals have an effective LTV >80%

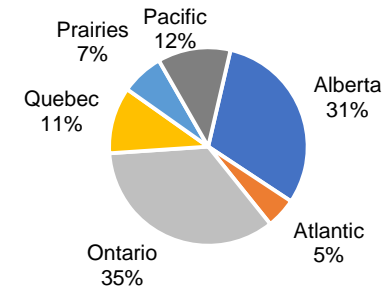


By Household Income



~80% had >\$75K annual household income
~68% were dual income households

By Region



Alberta remains a focus area – represents 31% of deferrals (vs. 21% of RIF), and over half are >80% LTV

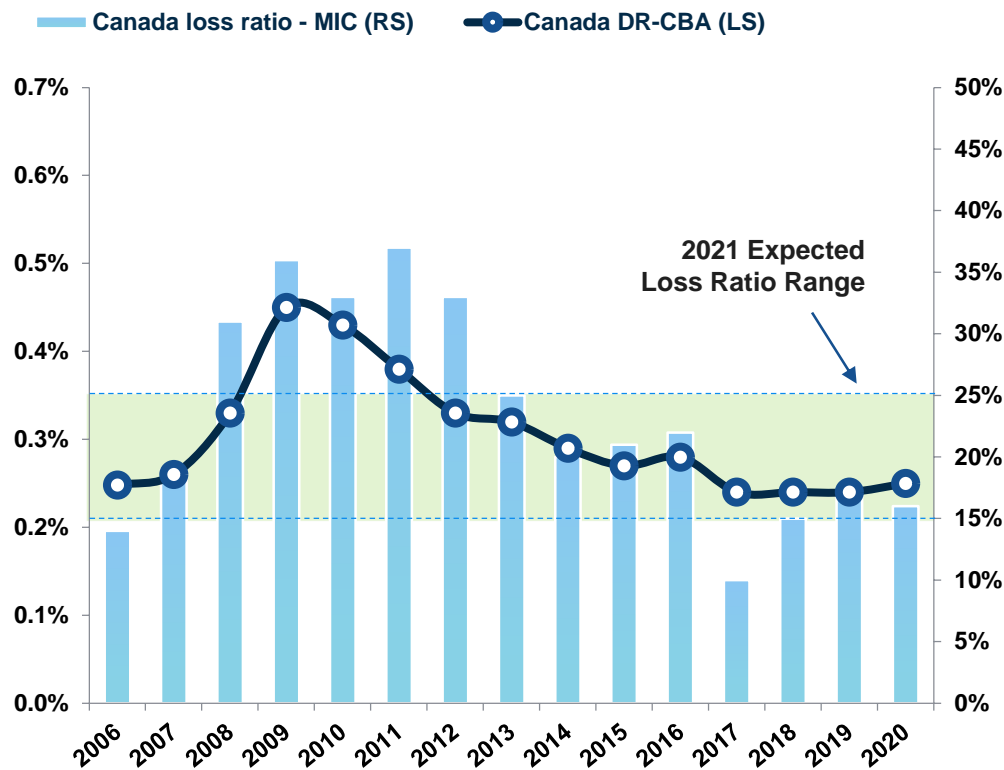
Of the Sagen mortgage consumers no longer in deferral, as at January 31, 2021, <2% of them (or ~30 bps of in-force) are in delinquency¹

1. Company sources



2021 Full Year Loss Ratio Expectations

Sagen Loss Ratio & CBA Delinquency Rates



2021 Key Assumptions		
	UE Rate	House Prices
National	7.8% to 8.0%	-2.0% to 2.0%

- WTI in the \$45 - 50 /ppb range
- Mortgage interest rates remain close to current levels
- Employment growth to remain positive for most regions with volatility early in the year

2021 full year estimated loss ratio range of 15% to 25%

Note: 2021 assumptions based on Company estimates; denote exit rates.
 Data Sources: Canadian Bankers Association, data as at September 2020; Company sources, data as at December 2020.

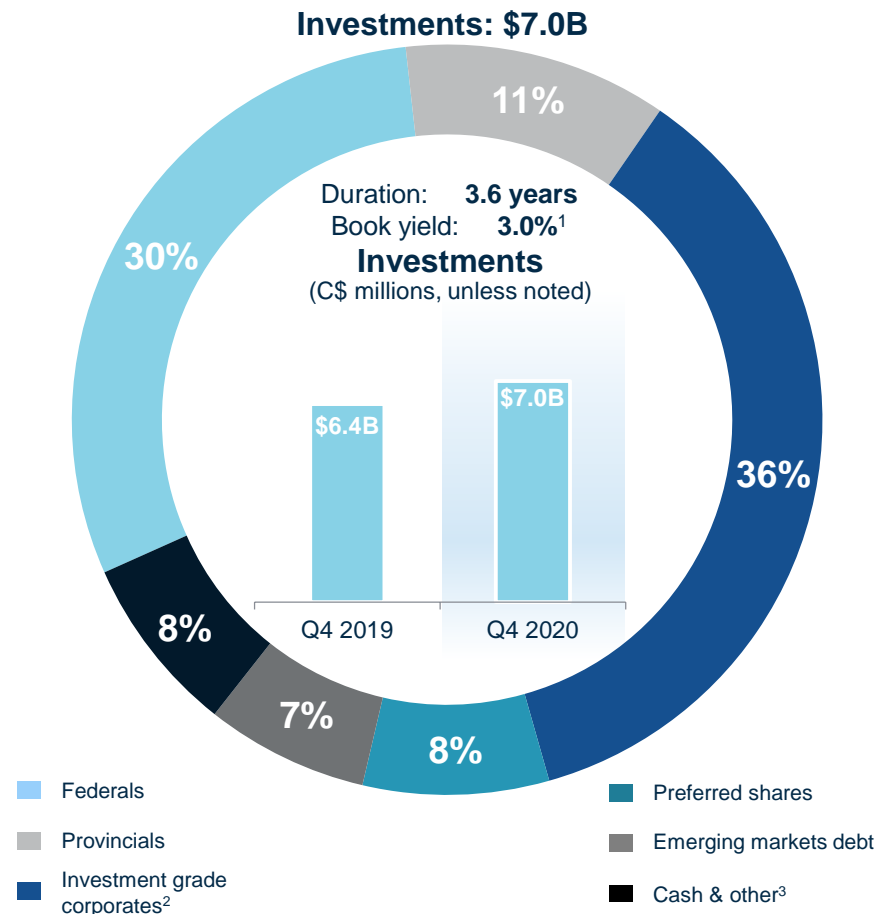


High Quality Investment Portfolio

Clear investment objectives

- Focus on high quality assets
- High quality investments with ~92% investment grade fixed income
- Limit exposure to correlated economic risks
- Diversify geographically (US & select emerging market countries)
- Opportunistically hedge interest rate risk

Strong execution driving stable income



ESG Considerations



Environmental

- Through Sagen's energy-efficient housing program, homebuyers purchasing an energy-efficient home or making energy saving renovations are eligible for significant premium savings when Sagen mortgage insurance is obtained

Social

- Supporting financial literacy in collaboration with the University of Waterloo and Enactus
- Providing homebuyer education to help first-time homebuyers achieve home ownership responsibly
- Homeowner assistance program helps Sagen-insured homeowners across the country stay in their homes during temporary financial setbacks
- Targeted charitable donations for affordable housing initiative (Habitat), wellness and support for local communities
- Culture of volunteerism

Governance

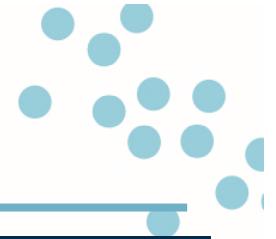
- Comprehensive corporate governance framework to ensure effective business oversight
- Diverse Board of Directors in terms of gender and experience (risk management, mortgage lending, capital markets, investment banking, corporate and regulatory governance, actuarial, accounting and audit, operations, C-Suite)
- Active participation by independent directors including oversight of related party transactions through the Conduct Review Committee

Strategy and Capital Management



SAGEN™

Strategic Priorities Remain Unchanged



Prudent Growth

- Core growth through enhanced customer experience
- New niche market - Innovative product development

Proactive Risk Management

- Strong risk management framework
- Disciplined underwriting and risk appetite

Capital Strength & Efficiency

- MICAT target operating range of 170-175% in the near term due to ongoing uncertainty (160-165% in the long run)
- “AA” or better capital level at insurance company
- ***Efficient capital structure (right-sizing leverage within investment grade rating limits) in support of mid-teens ROE***

Government Relations

- Affordability and supply measures
- Qualifying criteria modifications

Talent Management

- Attracting, retaining and developing key talent

Key Targets

- Modest market share growth to further solidify market leading position
- Compliance with portfolio limits
- Minimize losses from payment deferrals
- ~5% Y/Y topline growth & EPS over the medium term
- Operate at or above the operating target range of 160-165% during COVID-19 uncertainty
- Loss ratio of 15 to 25%
- Expense ratio of 17 to 20%

Focus on retaining recent topline growth and efficient capital management



Capital Structure Optimization

Focused on maintaining current investment grade rating limits while right sizing leverage to reflect strength of underlying business and benefits from Brookfield transaction.



High Quality Business

Market leader for an essential service with high barriers to entry



Proven Resiliency

Resilient performance through downturn; being demonstrated in current pandemic



Stable Earnings & Cash Flows

Consistent predictable earnings and stable cash flow profile



Strong Balance Sheet

>\$7B of assets; >\$2B of unearned premiums with embedded equity



Capital Flexibility

Benefit from Brookfield's financial strength under full ownership



Brookfield Sponsorship

Well-capitalized with substantial access to capital; long-term investment focus

Committed to maintaining existing credit ratings following Brookfield transaction – targeting 30% leverage ratio (debt+hybrids+prefs to total capitalization)

Capital Optimization: Organic Capital Generation



OBJECTIVES


Fund organic growth with MICAT long term operating range of 160 - 165%

Holding company cash and liquid investments \geq \$100M



 **Strong capital position & organic capital generation**

Regulatory Capital In Excess Of Operating MICAT Target of 165% (\$ millions)	
January 1, 2020 (MICAT 170%)	\$124
Total Comprehensive Income (incl. OCI)	586
Net decrease in required capital & other	232
Ordinary dividends	(270)
Share buybacks & special dividends	(170)
December 31, 2020 (MICAT 187%)	\$502

 **Management committed to maintaining a strong capital position with a MICAT operating target range of 170 - 175% in 2021**

Capital redeployment will be guided by this operating target range

Capital Optimization: Leverage and Ratings

OBJECTIVE

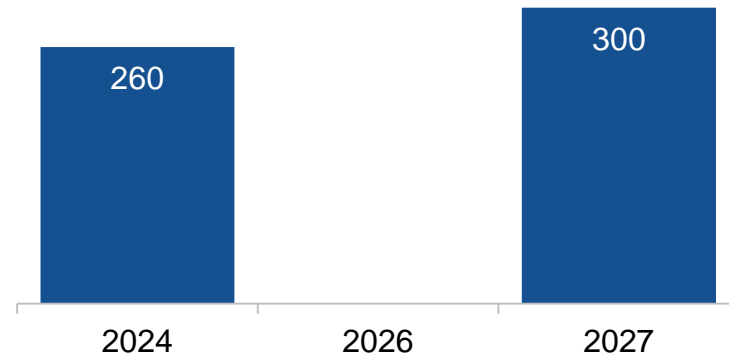
Transition to a more capital efficient balance sheet



Current leverage is modest at ~16% including recent \$100M preferred share issuance

Targeting ~30% leverage (debt + hybrids + preferred shares) consistent with current ratings profile

Current Notes Outstanding	Series 3	Series 4
Maturity Date	April 1, 2024	March 1, 2027
Principal Amount	\$260 MM	\$300 MM
Fixed Annual Rate	4.242%	2.955%
S&P Issuer Rating	BBB+ (negative)	
DBRS Issuer Rating	A (high, negative)	



Focused on maintaining current investment grade ratings while right sizing leverage to reflect strength of underlying business



Pro Forma Capital Structure

Capital plan following Brookfield transaction contemplates up to ~30% debt + hybrids + preferreds.

Pro Forma Capitalization		
Capital	Amount	% of Capitalization ¹
Term Facility	\$76	2%
Senior Unsecured Debentures Series 3	\$260	6%
Senior Unsecured Debentures Series 4	\$300	7%
1 New Senior Unsecured Debentures	\$300	7%
Total Debt	\$936	21%
Preferred Shares	\$100	2%
Total Debt + Hybrids + Prefs	\$1,036	23%
<hr/>		
2 Bank Debt/ Hybrid Bonds	[\$300]	7%
Total Debt + Hybrids + Prefs (Post-Brookfield Transaction)	\$1,336	30%

- 1**
- As a first step, will seek to raise \$300M of new senior unsecured debentures
 - No expected impact on Sagen's credit ratings
 - Will include mandatory redemption with redemption at par should the Brookfield transaction not close by a specific date

- 2**
- Concurrent with closing of the Brookfield transaction, will seek to raise an incremental [\$300M] through bank debt and/or hybrid bonds
 - Mix between bank debt and/or hybrid bonds to be determined to ensure that there is no impact on Sagen's credit ratings
 - Results in pro forma leverage of 30% – this level is well supported by the strength and resiliency of Sagen's earnings and cash flow profile

Sagen expects no impact to its current credit ratings from its pro forma capital plan

Summary Indicative Term Sheet



Issuer	<ul style="list-style-type: none"> Sagen MI Canada Inc. (the “Company”)
Issue	<ul style="list-style-type: none"> Debentures, Series 5 (the “Debentures”)
Maturity	<ul style="list-style-type: none"> [•] years
Issue Size	<ul style="list-style-type: none"> [\$300,000,000]
Coupon	<ul style="list-style-type: none"> [•]%
Spread	<ul style="list-style-type: none"> [•]bps vs. the interpolated Government of Canada (“GoC”) Curve
Issue Price	<ul style="list-style-type: none"> [•] per \$1,000 principal amount – implied issue yield of [•]%
Coupon Dates	<ul style="list-style-type: none"> Payable semi-annually in equal installments in arrears on [•] and [•] of each year
Expected Issuer Ratings	<ul style="list-style-type: none"> DBRS: [A(High)] S&P: [BBB+]
Ranking	<ul style="list-style-type: none"> Senior direct and unsecured obligations of the Company Pari passu with all other current and future unsecured and unsubordinated indebtedness of the Company
Mandatory Redemption	<ul style="list-style-type: none"> Sagen shall be required to redeem the Debentures in full at a redemption price equal to 100% of the principal amount of the Debentures, plus accrued and unpaid interest, if either: <ol style="list-style-type: none"> the “Outside Date” (being July 30, 2021, as such date may be postponed for up to an additional 90 days, or such later date as may be agreed to in writing by the parties to the Brookfield transaction) occurs and the closing of the Brookfield transaction has not occurred; or the arrangement agreement giving effect to the Brookfield transaction is terminated at any time prior to the Outside Date in accordance with its terms without closing of the Brookfield transaction.
Use of Proceeds	<ul style="list-style-type: none"> Strengthen the Company’s capital base, distribution to shareholders (subject to the completion of the Brookfield transaction) and/or general corporate purposes

Closing Remarks



SAGEN™

Positive Business Outlook



- 1 Cautiously optimistic on Canadian economic recovery gaining traction
- 2 Strong housing demand in most markets supported by low interest rates and stable employment and above average household income in the first time homebuyers segment
- 3 Proactive and coordinated loss mitigation efforts expected to result in orderly transition for payment deferrals
- 4 Ongoing market share momentum following CMHC product changes
- 5 Loss ratio expected to be in a 15 to 25% range over the near term, similar to the 10 to 22% range over the past 5 years
- 6 Transitioning from conservative capital management in 2020 to focus on balancing capital strength and capital efficiency post-privatization

Q&A



SAGEN™

Senior Management Team



Stuart Levings, President & Chief Executive Officer 20+ years of mortgage insurance experience

Mr. Levings assumed his current role as President and Chief Executive Officer in January 2015. Prior to that Mr. Levings served in such senior leadership positions as Senior Vice President, Chief Operating Officer, Senior Vice President, Chief Operations Officer and Senior Vice President, Chief Risk Officer. Mr. Levings joined the Company in July 2000 as the Financial Controller, and has also held positions in finance and product development, including five years as Chief Financial Officer. Before that, Mr. Levings spent seven years with Deloitte & Touche. Mr. Levings holds a CPA, CA professional designation with over 20 years of professional experience in a variety of industry sectors. Mr. Levings holds a Bachelor of Accounting Science degree from the University of South Africa and is a member of the Canadian Institute of Chartered Accountants.



Philip Mayers, SVP & Chief Financial Officer 25+ years of mortgage insurance experience

Mr. Mayers became Chief Financial Officer of the Company in 2009. He has over 30 years of finance and general management experience in financial services businesses. Since joining the Company in 1995, Mr. Mayers has held several senior positions, including Vice President, Finance, Vice President, Operations, and Senior Vice President, Business Development. Prior to joining the Company, he held finance positions with Mortgage Insurance Company of Canada ("MICC"), Esso Petroleum Canada and Deloitte & Touche. He holds CPA, CA and CMA professional designations and has a Master of Accounting degree from the University of Waterloo.



Sponsorship from Brookfield

One of the world's largest alternative asset managers with over US\$600B in AUM.

Strong sponsor committed to growing and creating value in Sagen over the long-term.

Brookfield Overview

- More than 100-year history of owning, operating, and managing businesses
- Well-capitalized, with sustainable access to large scale capital
- Focused on sectors in which its in depth operating experience provides a competitive advantage
- Strong experience and expertise in insurance and residential real estate
- Headquartered and based in Canada

+\$600B¹

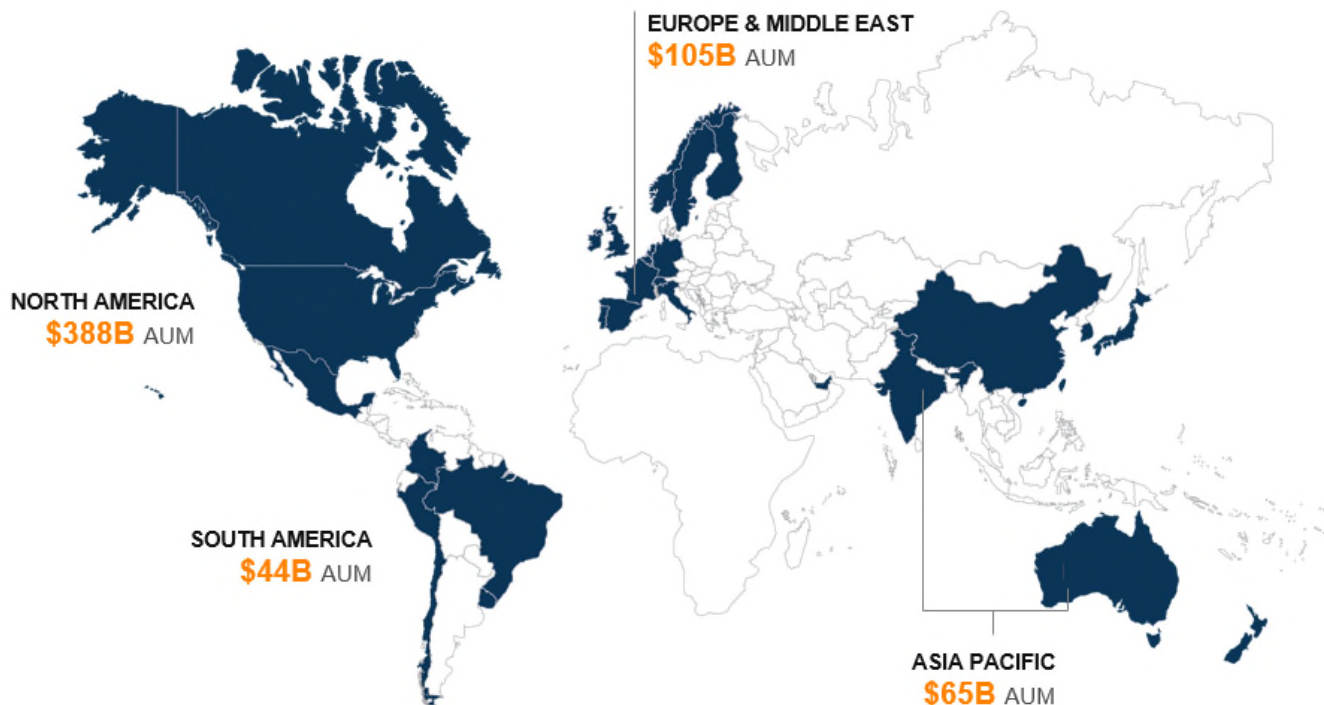
ASSETS UNDER MANAGEMENT

~150,000

OPERATING EMPLOYEES

30+

COUNTRIES




Note: AUM as of December 31, 2020.
1. Total AUM includes Oaktree AUM of \$148B.

COVID-19 Response



Functional Area	Actions
<p>Seamlessly transitioned to work from home for virtually all employees with no disruption in business services</p>	<ul style="list-style-type: none"> • Leveraged existing underwriting and loss mitigation applications to deliver core services digitally with employees working from home • Utilized digital meetings to maintain and enhance customer relationships • Maintained an active dialogue with regulator and Department of Finance on emerging trends and government programs
<p>Expanded loss mitigation programs including the implementation of 6-month mortgage deferral program</p>	<ul style="list-style-type: none"> • Developed and implemented mortgage deferral program to assist borrowers • Increased loss mitigation capacity • Developed loss mitigation to ensure a coordinated effort to increase workouts and minimize delinquencies after the end of deferrals
<p>Reassessed risk appetite and proactively adjusted underwriting guidelines as needed</p>	<ul style="list-style-type: none"> • Used stress testing results across a variety of economic scenarios assess the potential impact of the pandemic and to inform contingency plans • Increased vigilance on operational risks in a remote work environment • Implemented underwriting changes for economically sensitive areas in oil producing regions
<p>Monitored capital adequacy, liquidity and investment portfolio quality</p>	<ul style="list-style-type: none"> • Assessed capital adequacy and liquidity across a range of economic scenarios to ensure compliance with regulatory requirements • Evaluated credit quality in the investment portfolio with a focus on credits with above average risk of ratings downgrades or default risk and proactively exited a handful of positions



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