



Make it  
Intact

INTACT FINANCIAL CORPORATION

MANAGEMENT PROXY CIRCULAR 2023

Notice of Annual and Special Meeting of Shareholders, May 11 | 2023





## Our Purpose

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We are here to help people, businesses and society prosper in good times and be resilient in bad times.

## Our Values

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Our Values guide our decision-making, keep us grounded, help us outperform and are key to our success.



### Integrity

Be honest, open and fair  
Set high standards  
Stand up for what is right



### Respect

Be kind  
See diversity as a strength  
Be inclusive and collaborate



### Customer-driven

Listen to our customers  
Make it easy, find solutions  
Deliver second-to-none experiences



### Excellence

Act with discipline and drive to outperform  
Embrace change, improve every day  
Celebrate success, yet remain humble



### Generosity

Help others  
Protect the environment  
Make our communities more resilient

## Our Core Belief

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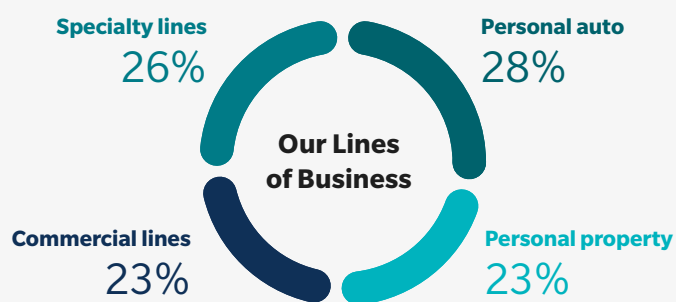
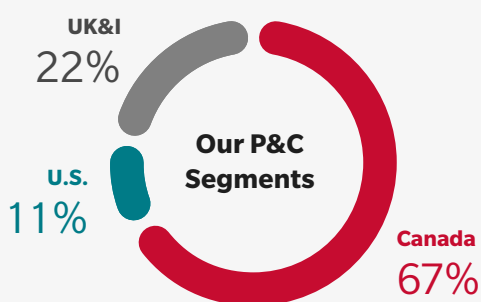
People are at the heart of our organization – and of our success.  
How we do things is just as important as what we achieve. We are a purpose-driven company based on values and a belief that insurance is about people, not things.

## Who We Are

**Intact is the largest provider of Property & Casualty insurance in Canada, a leading specialty lines insurer with international expertise and a leader in personal and commercial lines in the U.K. and Ireland.**



Our business has grown organically and through acquisitions to over **\$21 billion** of total annual operating Direct Premiums Written<sup>1</sup>.



We have a global team of **29,000 employees** delivering best-in-class operations through a diversified business offering.

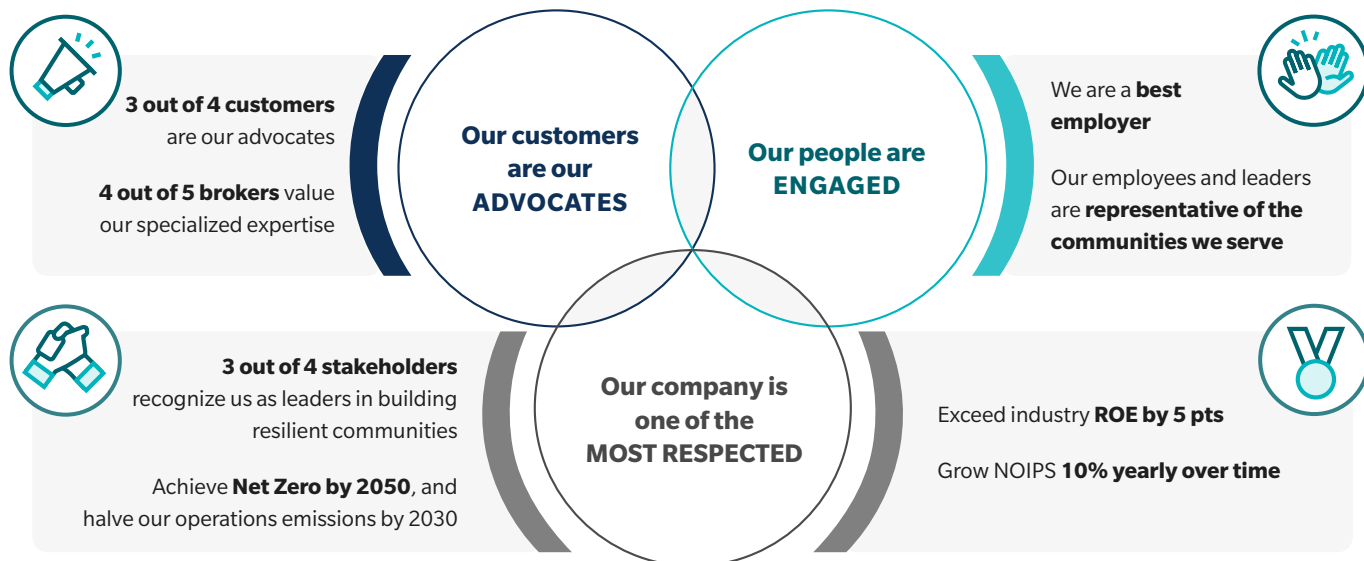


<sup>1</sup> This is a non-GAAP financial measure.



## What We Aim To Achieve

Our strategic objectives define what we aim to achieve: placing customers at the centre of everything we do, making sure our employees are engaged and proud to work at Intact, and being recognized as leaders in building resilient communities and industry outperformance.



## Our Strategic Roadmap

Our strategy is focused on these five big ideas. Together, they help us achieve our goals and remain successful.



\*Based on a weighted-average ROE benchmark of leading P&C insurers in Canada, the U.S. and the U.K.

## 2022 Strategic Highlights

**70%** of customers in Canada who had a transaction with us are our advocates

**90%** of brokers in North America intend to continue doing business with us

**Our customers  
are our  
ADVOCATES**



**Our people are  
ENGAGED**



### 2022 Kincentric Best Employer:

- in Canada for the **7th** consecutive year
- in the U.S. for the **4th** consecutive year

### Representing the communities we serve

**42%**  
of women and  
**13%**  
of Black and People of Colour  
in North America at Vice  
President and higher positions

**53%**  
of women globally and  
more than  
**20%**  
of Black and People of Colour  
in IFC Canada and U.S. in  
managerial positions

**46%**  
of women on IFC  
Board of Directors

Net Operating Income Per Share<sup>1</sup> of  
**\$11.88**  
with a 5-year NOIPS CAGR of 16%

Return on Equity<sup>1,2</sup> outperformance of  
**10.3 points**  
in 2022

**More than 1 in 2<sup>3</sup>**  
stakeholders believe that Intact is a leader in helping  
build resilient communities in Canada

**23% reduction**  
in our overall operations emissions<sup>4</sup> from 2019

**Our company is  
one of the  
MOST RESPECTED**



<sup>1</sup> These are non-GAAP financial measures. See Section 36 – Non-GAAP and other financial measures of the MD&A for the definition and reconciliation to the most comparable GAAP measures.

<sup>2</sup> Intact's ROE corresponds to an adjusted return on equity (AROE), which is more comparable to the industry.

<sup>3</sup> Intact's Resilience Barometer, launched in Canada this year, measures our social impact performance through feedback from key stakeholders.

<sup>4</sup> Including Scope 1, Scope 2 and Scope 3 business travel.

# Your Vote Matters

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Choose to vote in one of two ways:

- A. By proxy; or
- B. Online at the Meeting

Detailed voting instructions for non-registered and registered shareholders can be found on [pages 5 to 10](#) of this Management Proxy Circular.

## Location of Annual and Special Meeting of Shareholders

### Virtual-only Meeting

We will again hold our Meeting this year in a virtual-only format, which will be conducted via live webcast. You will not be able to attend the Meeting in person, but we are committed to supporting shareholder engagement in our Meeting. The webcast will be available at <https://web.lumiagm.com/497222487>.

### How to attend the virtual Meeting

You will be able to attend the Meeting as well as vote and submit your questions during the live webcast of the Meeting by visiting <https://web.lumiagm.com/497222487> and entering your username and the Meeting password below:

- **Username:**

If you are a **registered shareholder**, your username is the 15-digit control number located on the proxy form or the email notification you received;

If you are a **non-registered shareholder**, you need to appoint yourself as proxyholder and you MUST register with Computershare, our transfer agent, at <http://www.computershare.com/intactfinancial> after submitting your voting instruction form. Computershare will provide you with a username for the Meeting.

- **Password: intact2023**



Please refer to [pages 5 to 10](#) for more information on how to attend and vote at the Meeting or how to appoint a proxyholder.

# Letter to Shareholders



March 31, 2023

Dear Shareholders,

On behalf of the Board of Directors and Senior Management team of Intact Financial Corporation, we are very pleased to invite you to join us at the 2023 Annual and Special Meeting of Shareholders of Intact Financial Corporation that will take place on May 11, 2023 at 1:00 p.m. (Eastern Time).

We will once again hold our Meeting this year in a virtual-only format, which will be conducted via live webcast. The webcast will be available at <https://web.lumiagm.com/497222487>. Detailed information on how to participate in the virtual Meeting is included in this Management Proxy Circular.

At this Meeting, you will have the opportunity to obtain first-hand information on Intact Financial Corporation, learn about our plans for the future, ask questions and hear your fellow shareholders' questions, and be called upon to vote on matters described in this Management Proxy Circular, as if you were physically present at the Meeting and regardless of your geographic location.

If you cannot attend the Meeting, we invite you to exercise your vote by proxy, as described in the attached documents.

We also invite you to consult our website for information on our recent presentations to the investment community and our results. Also available online is the full text of our Annual Report, Social Impact Report and other useful information.

As a valued shareholder, we appreciate and welcome your participation in the Annual and Special Meeting of Shareholders of Intact Financial Corporation.

Sincerely,

A stylized, handwritten signature in black ink, likely belonging to William L. Young.



**William L. Young**  
Chair of the Board  
of Directors

A handwritten signature in black ink, reading "Charles Brindamour".



**Charles Brindamour**  
Chief Executive Officer

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This icon represents data relevant to environmental, social and governance (ESG) disclosure.



# Notice of Annual and Special Meeting of Shareholders of Intact Financial Corporation

Date: Thursday, May 11, 2023

Time: 1:00 p.m. (Eastern Time)

Place: Virtual-only meeting via live webcast at: <https://web.lumiagm.com/497222487>

## Business of the Meeting:

1. Receive the consolidated financial statements for the year ended December 31, 2022, and the auditor's report on those statements;
2. Appoint the auditor;
3. Elect Directors;
4. Consider and, if thought fit, adopt a resolution to reconfirm, ratify and reapprove the Amended and Restated Shareholder Rights Plan of Intact Financial Corporation as set out in section 3 and Schedule A of the Management Proxy Circular;
5. Approve the non-binding advisory resolution to accept the approach to executive compensation disclosed in the Management Proxy Circular; and
6. Transact such other business as may properly be brought before the Meeting.

Holders of Common Shares of Intact Financial Corporation of record at 5:00 p.m. (Eastern Time) on March 15, 2023 are entitled to receive the Notice of Annual and Special Meeting of Shareholders and will be entitled to vote at the Meeting. On that date, 175,256,968 Common Shares were issued and outstanding. Each holder of Common Shares is entitled to cast one (1) vote per Common Share held.

We will once again hold our Meeting this year in a virtual-only format, which will be conducted via live webcast. The webcast will be available at: <https://web.lumiagm.com/497222487>.

Detailed information on how to participate in the virtual Meeting is included in the Management Proxy Circular (the "Circular").

As permitted by Canadian securities regulators, the Company is using Notice and Access to deliver the Circular and its 2022 Annual Report to shareholders. Notice and Access allows the Company to post the Circular and 2022 Annual Report online instead of mailing it out to each shareholder, saving substantial printing and mailing costs and greatly reducing the Company's paper consumption. Shareholders will receive a notice in the mail giving instructions on how to access the Circular and the 2022 Annual Report on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company's website ([www.intactfc.com](http://www.intactfc.com)), and how to request a paper copy of the Circular and 2022 Annual Report free of charge. Please take the time to review the Circular carefully before voting your shares.

By order of the Board of Directors,



Frédéric Cotnoir  
Executive Vice President & Chief Legal Officer  
March 31, 2023

Holders of Common Shares of Intact Financial Corporation who are unable to attend the virtual Meeting are invited to register their vote at [www.investorvote.com](http://www.investorvote.com) or by calling toll free at 1-866-732-VOTE (8683), or to complete, date and sign the enclosed form of proxy or voting instruction form, and return it by mail to Computershare in the postage-paid envelope provided. In order to be valid, the form of proxy or voting instruction form must be deposited with Computershare by internet, phone or mail no later than 1:00 p.m. (Eastern Time) on May 9, 2023, or if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before any adjournment thereof. We encourage you to use the online platform [www.investorvote.com](http://www.investorvote.com), instead of mail, to reduce the risk related to mail disruption.

For any questions regarding the Management Proxy Circular, the form of proxy, the voting instruction form or the exercise of voting rights, please call the Office of the Corporate Secretary of Intact Financial Corporation at 1-877-341-1464, Ext. 45149.

## Summary

Below are highlights of the important information you will find in this Management Proxy Circular. These highlights do not contain all the information that you should consider. You should therefore read the Management Proxy Circular in its entirety before voting.

## Shareholder Voting Matters

Voting matter	Board Voting recommendation	Page references for more information
Election of 13 Directors	<b>FOR</b> each nominee	16, 20 to 33
Appointing EY as Auditors	<b>FOR</b>	15 and 16
Approving the Amended and Restated Shareholder Rights Plan	<b>FOR</b>	17 and 18
Advisory Resolution on Executive Compensation	<b>FOR</b>	18

## Director Nominees at a Glance

	Occupation	Age	Independent Director	Director since	% Vote FOR at 2022 Annual Meeting	Committee memberships	Board and Committee attendance 2022	Other current public boards	Share Ownership Requirement
Charles Brindamour	Chief Executive Officer, Intact Financial Corporation	52		2008	99.96%	–	6/6 (100%)	Canadian Imperial Bank of Commerce	Met
Emmanuel Clarke	Corporate Director	53	●	2021	99.77%	Audit, Risk	15/15 (100%)	–	Has until July 22, 2026 to comply
Janet De Silva	President and CEO Toronto Region Board of Trade	62	●	2013	99.77%	Audit, Risk	15/15 (100%)	–	Met
Michael Katchen	Chief Executive Officer and Co-Founder, Wealthsimple	35	●	2022	n/a	HRC	5/5 (100%)	–	Has until July 25, 2027 to comply
Stephani Kingsmill	Corporate Director	56	●	2022	99.96%	GS, HRC	7/7 (100%)	NorthWest Healthcare Properties REIT	Has until May 11, 2027 to comply
Jane E. Kinney	Corporate Director	65	●	2019	97.70%	Audit, GS	15/15 (100%)	Cenovus Energy Inc.	Met
Robert G. Leary	Corporate Director	62	●	2015	99.79%	HRC, Risk	15/15 (100%)	Citizens Financial Group, Inc.	Met
Sylvie Paquette	Corporate Director	63	●	2017	99.79%	HRC, Risk	15/15 (100%)	–	Met
Stuart J. Russell	Professor of Electrical Engineering and Computer Sciences, University of California at Berkeley	61	●	2020	99.78%	HRC, Risk	15/15 (100%)	–	Has until May 6, 2025 to comply
Indira V. Samarasekera	Corporate Director and Senior Advisor, Bennett Jones, LLP	70	●	2021	99.16%	GS, HRC	14/15 (93%)	TC Energy Corporation/ TransCanada PipeLines Limited Stelco Holdings Inc. Magna International Inc.	Has until May 12, 2026 to comply
Frederick Singer	Corporate Director	60	●	2013	99.44%	Audit, GS	15/15 (100%)	–	Met
Carolyn A. Wilkins	Corporate Director and Senior Research Scholar, Griswold Center for Economic Policy Studies, Princeton University	59	●	2021	99.76%	Audit, Risk	15/15 (100%)	–	Has until February 1, 2026 to comply
William L. Young	Corporate Director Chair, SNC-Lavalin Group Inc.	68	●	2018	98.79%	–	11/11 (100%)	SNC-Lavalin Group Inc.	Met

# Corporate Governance

The Board of Directors and Management of Intact Financial Corporation consider corporate governance and sound market practices to be essential components of its operations and integral in achieving the Company's objective of enhancing value for its shareholders and in ensuring the Company's long-term viability.



97.74%

**approval on advisory resolution on executive compensation** (say-on-pay) at the 2022 Annual Meeting of Shareholders



99.47%

**average vote in favour of the election** of the director nominees in 2022

## Highlights of our Corporate Governance Practices

- **Separation of CEO and Chair** of the Board of Directors
- **Independent Board and Chair:** All members of the Board of Directors are independent, except the CEO
- Only **independent Directors on all committees** of the Board of Directors
- 46.2% women representation on the Board of Directors in 2022 and **policy requiring a minimum of 30% representation each of women and men on the Board of Directors**
- **Minimum director share ownership requirements** equivalent to 4x total annual retainer (and more than 8x annual cash retainer)
- **Private meetings of independent Directors** at all Board of Directors and committee meetings
- **Policy on external positions and interlocking** for Directors
- Board Renewal: Use of **skills matrix, diversity matrix and evergreen list** as part of the Board of Directors renewal process
- **Shareholder Engagement Policy** providing for Management and Board of Directors' directed shareholder engagement
- Strong Board of Directors **assessment process**
- Regular **continuing education programs** for members of the Board of Directors
- Robust **risk management process**
- **Board oversight of ESG matters** including climate change risk, human capital management, ethical conduct and integration into overall corporate strategy

## Compensation

Intact Financial Corporation's compensation philosophy aims to ensure that its leaders focus on sustaining high levels of performance and growth in shareholder value, reinforcing the pay-for-performance philosophy. The Company's executive compensation program is based on the following key principles:



**Attract, retain and motivate key talent** in a highly competitive business environment.



**Align the objectives of Executives and Senior Executives** with those of the Company and the long-term interests of shareholders and other stakeholders.



**Link the Executives' and Senior Executives' short-term and long-term incentives to the Company's financial performance** on both an absolute basis and relative to the P&C insurance industry.

The executive compensation package is designed to assist the Company in attracting and retaining the best available personnel for positions of substantial responsibility and aligning their interests with those of the Company's shareholders and other stakeholders. Each year, we review our compensation package to ensure alignment with our compensation philosophy and Values.

The Company's compensation components aim for an optimal balance between fixed and variable pay to encourage participation and behaviour that aligns with the longer-term interests of the Company, its shareholders and other stakeholders.

Risk management is at the heart of our daily operations. Consequently, the Company's compensation programs are founded on principles and processes that support the management of risk, ensuring Management's plans and activities are prudent and focused on generating shareholder value within an effective risk control environment.

### Highlights of our Compensation Governance Practices

- **Say-on-Pay:** Annual shareholder advisory vote on executive compensation
- **Strong link** between pay and performance
- **Look-back table** showing the alignment of Mr. Brindamour's pay with the Company's performance since Mr. Brindamour became CEO (January 1, 2008)
- **Double-trigger vesting of stock incentives under the LTIP** upon change of control
- **Robust Clawback Policy** applicable to all variable compensation, including cash bonuses and equity compensation
- **Minimum Director share ownership requirements** equivalent to 4x total annual retainer (and more than 8x annual cash retainer)
- **Minimum Executive share ownership requirements** equivalent to 2x LTIP target and minimum retention periods for the CEO, the Senior Executives and certain other Executives, including after leaving the Company
- **ESG-related goals**, including regarding employee engagement, diversity, equity and inclusion, climate initiatives and customer-driven initiatives are included in the personal objectives of the CEO and other Senior Executives under the STIP
- **LTIP awards composed entirely of PSUs** for the CEO, the Senior Executives and certain Executives
- Retention of **independent compensation consultant**
- **Prohibition for Executives and Senior Executives to hedge their economic risk** or reduce their exposure to changes in share price with respect to any securities of the Company



For detailed information regarding our approach to executive compensation, please refer to our Statement on Executive Compensation starting on [page 94](#) of this Circular.

# 1 Voting Information

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This Management Proxy Circular is provided in connection with the solicitation of proxies to be used at the Annual and Special Meeting of Shareholders of Intact Financial Corporation, for the purposes indicated in the Notice of Meeting, to be held at 1:00 p.m. (Eastern Time) on Thursday, May 11, 2023 via live webcast, and at any adjournment thereof.



## Virtual-only Meeting

We are once again holding our Meeting this year in a virtual-only format, via live webcast. All shareholders will have equal opportunity to participate online in the virtual Meeting, engage with Management and Director nominees, ask questions and hear other shareholders' questions, and vote on matters described in this Circular, as if they were physically present at the Meeting and regardless of their geographic location. We will continue to determine, on a yearly basis, whether to hold our annual meeting of shareholders in-person, in a virtual-only format or in a hybrid format (i.e. both in-person and virtual attendees).

## Who is Soliciting my Proxy?

Employees, officers, Directors and agents of Intact Financial Corporation will solicit the proxies. The solicitation of proxies is done by mail or in person. The costs of such solicitation will be borne by the Company.

## How can I attend the virtual Meeting?

The Meeting will be held in a virtual-only format via live webcast. You will not be able to attend the Meeting in person. You will be able to attend the Meeting by visiting <https://web.lumiagm.com/497222487>. Please follow the instructions below if you wish to vote or ask questions at the Meeting.

## Who has the right to vote at the virtual Meeting?

If you hold Common Shares as at the close of business (5:00 p.m., Eastern Time) on March 15, 2023 (the record date established for receiving the Notice of Meeting and for voting in respect of the Meeting), you can cast one (1) vote for each Common Share you hold on all matters proposed to come before the Meeting. As at the close of business (5:00 p.m., Eastern Time) on March 15, 2023, 175,256,968 Common Shares were issued and outstanding. All the matters proposed before the Meeting require approval by a majority of votes cast by shareholders.

## Who can Vote?

### Registered shareholder

You are a registered shareholder if you have a share certificate in your name.

We will prepare a list of the registered shareholders as of March 15, 2023, showing the names of all shareholders who are entitled to vote online at the Meeting and the number of shares each owns. Those wishing to consult a copy of the list during regular business hours should contact our transfer agent, Computershare Investor Services Inc., at 1-800-564-6253.

### Non-Registered shareholder

You are a non-registered shareholder if a bank, trust company, securities broker, clearing agency, other financial institution or other intermediary (your "Nominee") holds your shares on your behalf.

As required by Canadian securities legislation, you will have received from your Nominee a request for voting instructions (voting instruction form) for the number of Common Shares you hold.

## How do I vote my Common Shares?

You have two options to exercise your right to vote:

- By proxy
- Online at the Meeting

## Option 1 – Voting by Proxy

Voting by proxy means giving someone else (the “Proxyholder”) the authority to attend the Meeting and vote online for you in accordance with your instructions or as they see fit if you do not specify how you want to vote your Common Shares.

If there are any amendments to the items of business or any other matters that properly come before the Meeting (including where the Meeting will be reconvened if it is adjourned), your Proxyholder has the discretion to vote as they see fit, in each instance, to the extent permitted by law whether the amendment or other matter of business that comes before the Meeting is routine or contested.

Late proxies may be accepted or rejected by the chair of the Meeting at his or her discretion and the chair of the Meeting is under no obligation to accept or reject any particular late proxy. The chair of the Meeting may waive or extend the proxy cut-off without notice.

Shareholders are encouraged to vote in advance of the Meeting as described below. Even if you are planning to participate in the virtual Meeting, you should consider voting your shares by proxy in advance to ensure your vote is counted if you later decide not to attend the virtual Meeting or in the event that you are unable to attend the Meeting for any reason.

### Registered shareholders

Your package includes a proxy form. You may give your instructions in the following manner:



**By Mail:** Complete, sign and return the proxy form by mail in the postage-paid envelope provided;



**Online:** Go to [www.investorvote.com](http://www.investorvote.com) and follow the instructions. You will need your 15-digit control number located on your proxy form; or



**By Telephone:** Call the Computershare toll-free control number located on your proxy form: 1-866-732-VOTE (8683). You will need your 15-digit control number located on your proxy form.

### Non-Registered shareholders

Your Nominee can only vote your Common Shares if they have received proper voting instructions from you. If you are a non-registered shareholder, your package includes a Voting Instruction Form (“VIF”). Complete the VIF and follow the return instructions on the form. The VIF is similar to a proxy form; however, it can only instruct your Nominee how to vote your Common Shares. You cannot use the VIF to vote your Common Shares directly.

Your Nominee is required by law to receive voting instructions from you before voting your Common Shares. Every Nominee has their own mailing procedures and instructions for returning the completed VIF, so be sure to follow the instructions provided on the VIF.

- In order to be valid, the proxy form or VIF must be registered with Computershare by mail, phone or through the internet no later than 1:00 p.m. (Eastern Time) on May 9, 2023, or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the new date determined by adjournment of the Meeting. If you wish to return the proxy form by mail, you may use the postage-paid envelope provided. We however encourage you to use the online platform [www.investorvote.com](http://www.investorvote.com), instead of mail, to reduce the risk related to mail disruption.

## Option 2 – Voting online at the Virtual Meeting

Attending the Meeting online will give you an opportunity to hear directly from Management and members of our Board of Directors. Registered shareholders who do not have a 15-digit control number, and non-registered shareholders who do not have a Username (provided by Computershare as described below) will only be able to attend as guests, which allows them to listen to the Meeting, without being able to vote or submit questions.

The webcast will be held at <https://web.lumiagm.com/497222487>. To participate in the Meeting, you will need to log in following the instructions below, at least 15 minutes before the beginning of the Meeting. You should allow ample time to check in to the Meeting and complete the check-in procedures. You will need to be connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting.

If you are using a 15-digit control number to log in to the virtual Meeting and you accept the terms and conditions, you will be revoking all previously submitted proxies. However, in such a case, you will be provided the opportunity to vote by ballot on the matters put forth at the Meeting. If you DO NOT wish to revoke all previously submitted proxies, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest.

## Registered shareholders

You do not need to complete or return your proxy form. You must register online at least 15 minutes before the Meeting using an internet connected device such as a laptop, computer, tablet or mobile phone at <https://web.lumiagm.com/497222487> and enter the 15-digit control number that appears on your form of proxy as your Username, and “intact2023” as your password. A vote during the webcast of the Meeting will cancel any vote submitted through a form of proxy before the Meeting.

If you have already submitted your voting instructions, you may still attend the Meeting as a guest but you will not be able to participate in the Meeting and ask questions or vote again.

## Non-Registered shareholders

1. If you want to attend and vote during the virtual Meeting, you MUST appoint yourself as Proxyholder by printing your name in the space provided on the VIF and following the instructions provided to submit the VIF.
2. Non-registered shareholders MUST also register with Computershare at <http://www.computershare.com/intactfinancial> after submitting their VIF in order to receive a Username specifically for voting at the Meeting. Registering yourself is an additional step once you have submitted your VIF. Failure to register yourself will result in you not receiving a Username to participate in the Meeting.
3. To attend and vote during the Meeting, you must register online at least 15 minutes before the Meeting using an internet connected device such as a laptop, computer, tablet or mobile phone at <https://web.lumiagm.com/497222487> and enter the Username provided by Computershare by email (see step 2 above) and “intact2023” as your password.

To be able to participate, ask questions or vote at the Meeting if you are a non-registered shareholder, you MUST follow the instructions above. Otherwise, you will only be able to attend as a guest and will not be able to ask a question or vote at the Meeting.

## United States non-registered shareholders

To attend and vote at the Meeting, you must first obtain a valid legal proxy form from your broker, bank or other agent and then register in advance to attend the Meeting. To register, you must submit a copy of your legal proxy to Computershare by email at [USLegalProxy@computershare.com](mailto:USLegalProxy@computershare.com) or by mail at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1, and in both cases, requests for registration must be labelled as “Legal Proxy” and be received no later than May 9, 2023 by 1:00 p.m. (Eastern Time). You will receive a confirmation of your registration by email. You may attend the Meeting and vote your shares at <https://web.lumiagm.com/497222487> during the Meeting. Please note that you are also required to register your appointment at <http://www.computershare.com/intactfinancial>.

## How will my Common Shares be Voted if I Return a Proxy Form/VIF?

Common Shares represented by a proxy form/VIF are to be voted for, against or withheld from voting by the Proxyholder designated in the proxy form/VIF as you instruct. If no instructions are given, the voting rights attached to the Common Shares will be exercised by any designated Proxyholder who is a Director and/or a designated officer of the Company voting as follows:

- **FOR** the appointment of the auditor;
- **FOR** the election of each proposed Director nominated by Management;
- **FOR** the approval of the resolution of the shareholders confirming the Amended and Restated Shareholder Rights Plan;
- **FOR** the approval of the non-binding advisory resolution of the shareholders to accept the approach to executive compensation disclosed in this Management Proxy Circular.

The proxy form/VIF confers on the designated Proxyholder discretionary authority with respect to any proposed amendments or variations to the matters set out therein and any other business which may properly come before the Meeting. As of March 31, 2023, Management of Intact Financial Corporation is not aware of any amendment or other matter which may properly come before the Meeting.

## How do I appoint someone else to attend the virtual Meeting and vote my Common Shares online for me?

The Proxyholders designated in the proxy form/VIF are Directors and/or officers of the Company. If you wish to appoint a Proxyholder other than one of the persons designated in the proxy form/VIF, you can do so whether you are a registered shareholder or a non-registered shareholder, as follows:

1. You must indicate the name of your Proxyholder in the blank space provided in the proxy form or VIF and follow the instructions for submitting such proxy form or VIF; and
2. **AFTER** submitting your proxy form or VIF, you **MUST** register your Proxyholder by visiting <http://www.computershare.com/intactfinancial> by 1:00 p.m. (Eastern Time) on May 9, 2023 and provide Computershare with your Proxyholder's contact information, so that Computershare may provide the Proxyholder with a Username via email. Registering your Proxyholder is an additional step once you have submitted your proxy form or VIF. Failure to register the Proxyholder will result in the Proxyholder not receiving a Username to participate in the Meeting.

The person you appoint does not need to be a shareholder but must attend the Meeting to vote your Common Shares. If the shareholder is a corporation, the form of proxy or voting instruction form must be executed by a duly authorized officer or a representative thereof.

You may enter your voting instructions by following the instructions indicated on the front and back of the form of proxy or voting instruction form.

In order to be valid, the proxy form or VIF must be registered with Computershare by internet, mail or phone no later than 1:00 p.m. (Eastern Time) on May 9, 2023, or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the new date determined by adjournment of the Meeting. If you wish to return the proxy form by mail, you may use the postage-paid envelope provided. We however encourage you to use the online platform [www.investorvote.com](http://www.investorvote.com), instead of mail, to reduce the risk related to mail disruption.

## What if I Change my Mind?

**Registered shareholders** can revoke a proxy:

By delivering a written notice to that effect signed by you or your duly authorized representative(s) to Computershare at 100 University Avenue, 8<sup>th</sup> Floor, Toronto, Ontario M5J 2Y1 no later than 1:00 p.m. (Eastern Time) on May 9, 2023, or, if the Meeting is adjourned, 48 hours (excluding Saturdays, Sundays and holidays) before the new date determined by adjournment, by using a 15-digit control number to log in to the Meeting and accepting the terms and conditions, or in any other manner permitted by law.

If the shareholder is a legal entity, an estate or trust, the notice must be signed by an officer or attorney of the corporation duly authorized in writing by a resolution, a certified copy of which must be attached to the notice.

**Non-registered shareholders** may revoke a VIF (or a waiver of the right to receive meeting materials and to vote) given to a Nominee at any time by written notice to the Nominee, except that a Nominee is not required to act on a revocation of a VIF (or of a waiver of the right to receive materials and to vote) that is not received by the Nominee at least seven (7) days prior to the Meeting. Non-registered shareholders can also revoke their VIF by attending the virtual Meeting and choosing to revoke their VIF.

## Is my Vote Confidential?

Yes, in order to protect the confidential nature of voting by proxy, the votes exercised by proxy are received and compiled for the Meeting by Computershare, the duly appointed service provider of the Company for the Meeting. Computershare submits a copy of the proxy form to the Company only when a shareholder clearly wishes to communicate with Management or when there is a legal requirement to do so. The votes exercised during the Meeting will also be kept confidential.

## Rules of Conduct for the Meeting

For any question on joining or attending the Meeting or on voting procedures, please refer to the “Virtual AGM User Guide”, which is available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on our website at [www.intactfc.com/agm2023](http://www.intactfc.com/agm2023).

If you attend the Meeting online, it is important that you are connected to the internet at all times during the Meeting in order to be able to vote when solicited. It is your responsibility to ensure you stay connected for the duration of the Meeting. You should allow ample time to check in to the online Meeting and complete the related procedure.

Shareholders will be able to submit their votes by virtual ballot throughout the Meeting. The Chair of the Meeting will indicate the time of opening and closure of the polls. Voting options will be visible on your screen.

It is recommended to shareholders and proxyholders to submit their questions as soon as possible during the Meeting so they can be addressed at the right time.

The Chair of the Board of Directors and other members of Management present at the Meeting will answer questions relating to matters to be voted on before a vote is held on each matter, if applicable. General questions will be addressed by them at the end of the Meeting during the question period.

So that as many questions as possible are answered, shareholders and proxyholders are asked to be brief and concise and to address only one topic per question. Questions from multiple shareholders on the same topic or that are otherwise related will be grouped, summarized and answered together.

All shareholder questions are welcome. However, the Company does not intend to address questions that:

- are irrelevant to the Company’s operations or to the business of the Meeting;
- are related to non-public information about the Company;
- are related to personal grievances;
- constitute derogatory references to individuals or that are otherwise offensive to third parties;
- are repetitious or have already been asked by other shareholders;
- are in furtherance of a shareholder’s personal or business interest; or
- are out of order or not otherwise appropriate as determined by the Chair or Secretary of the Meeting in their reasonable judgment.

For any questions asked but not answered during the Meeting, shareholders may contact the Office of the Corporate Secretary of Intact Financial Corporation at 1-877-341-1464, Ext. 45149.

The Company intends to offer a forum in which, to the extent possible using the electronic solutions available at the time of the Meeting, shareholders can adequately communicate during the Meeting.

In the event of a technical malfunction or other significant problem that disrupts the meeting, the Chair of the Meeting may adjourn, recess or expedite the Meeting, or take such other action as the Chair determines is appropriate considering the circumstances.



## 2 General Information

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## Date of Information

The information contained in the Circular is given as at March 31, 2023, except where otherwise noted.

## Glossary of Terms

Capitalized terms used in this Circular are defined in the glossary provided on [page 141](#) of this Circular.

## Currency

Unless indicated otherwise, all amounts are in Canadian dollars and “\$” or “dollars” refer to Canadian dollars.

## Non-GAAP financial measures

Non-GAAP financial measures and Non-GAAP ratios (which are calculated using non-GAAP financial measures) do not have standardized meanings prescribed by IFRS and may not be comparable to similar measures used by other companies in our industry. For additional information on the non-GAAP measures included in this Circular, please refer to Section 36 – *Non-GAAP and other financial measures* of Management’s Discussion and Analysis for the year ended December 31, 2022 available on SEDAR ([www.sedar.com](http://www.sedar.com)).

Non-GAAP financial measures and other insurance-related terms used in this Circular are defined in the glossary available in the “Investors” section of our website at [www.intactfc.com](http://www.intactfc.com).

## Notice and Access

As permitted by the Canadian Securities Administrators, the Company is using the Notice and Access rules to deliver this Circular to shareholders. Notice and Access allows the Company to post the Circular and other relevant materials online instead of mailing it out to each shareholder, saving substantial printing and mailing costs and greatly reducing the Company’s paper consumption.

Shareholders will receive a Notice of Meeting, along with the proxy or voting instruction form, giving instructions on how to access this Circular and other relevant materials (including the 2022 Annual Report – see below) on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company’s website ([www.intactfc.com](http://www.intactfc.com)) and how to request a paper copy of the Circular free of charge.

The 2022 Annual Report, including the consolidated financial statements of the Company for the year ended December 31, 2022, together with the auditor’s report thereon, and Management’s Discussion and Analysis of the financial position and results of operations, are also available online on SEDAR ([www.sedar.com](http://www.sedar.com)) and on the Company’s website ([www.intactfc.com](http://www.intactfc.com)), in accordance with Notice and Access. No vote will be taken at the Meeting in respect of the Company’s 2022 Annual Report.

## Share Capital and Principal Holders

The Company has an authorized share capital consisting of an unlimited number of Common Shares and an unlimited number of Class A Shares.

Except for the following, to the knowledge of the Directors and officers of the Company, no individual or corporation beneficially owns, directly or indirectly, or exercises control or direction over Common Shares carrying more than 10% of the voting rights attached to the Common Shares of the Company.

In November 2020, CDPQ Marchés boursiers inc. (“CDPQ”), a wholly-owned subsidiary of Caisse de dépôt et placement du Québec, participated in the financing of the acquisition of RSA by the Company and Tryg A/S. In connection with the financing, CDPQ entered into a subscription agreement and acquired, as of November 25, 2020, 11,152,417 subscription receipts, which were automatically converted to Common Shares of the Company at closing of the RSA Acquisition.

As at March 15, 2023, CDPQ owned approximately 10.2% of the issued and outstanding Common Shares of the Company.

## Normal Course Issuer Bid

On February 15, 2023, the Company announced its intention to renew its normal course issuer bid (“NCIB”) to purchase for cancellation during the next 12-month period up to 5,257,709 Common Shares, representing approximately 3% of its issued and outstanding Common Shares as of February 3, 2023. Purchases of Common Shares commenced on February 17, 2023 and will expire on the earlier of February 16, 2024, or the date on which the Company has either acquired the maximum number of Common Shares allowable or otherwise decided not to make any further repurchases. Shareholders may obtain a copy of the notice filed with the Toronto Stock Exchange (“TSX”) by contacting the Secretary’s Office of the Company.

Under the Company’s previous NCIB, which was effective from February 17, 2022 to February 16, 2023, a maximum of 5,282,458 Common Shares were approved for purchase (representing 3% of the Company’s issued and outstanding Common Shares as at February 8, 2022) and the Company purchased for cancellation 824,990 Common Shares for a weighted average price of \$182.04, on the open market through the facilities of the TSX and Canadian alternative trading systems.

## Shareholder proposals

The *Canada Business Corporations Act* permits certain eligible shareholders of the Company to submit shareholder proposals to the Company for inclusion in a management proxy circular for an annual meeting of shareholders.

The final date by which the Company must receive shareholder proposals for the annual meeting of shareholders of the Company to be held in 2024 is February 9, 2024.



Further information relating to Intact Financial Corporation may be obtained on its website at [www.intactfc.com](http://www.intactfc.com) and on the SEDAR website at [www.sedar.com](http://www.sedar.com). Financial information is provided in the Company's consolidated financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2022, and these documents are accessible through SEDAR.

## 3 Business of the Meeting

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## 3.1 Financial Statements

You can find the Company's consolidated financial statements for the year ended December 31, 2022 in our 2022 Annual Report.

## 3.2 Appointment of Auditor



**Voting Recommendation:** On the advice of the Audit Committee, the Board of Directors recommends that shareholders **vote FOR the appointment of Ernst & Young LLP (EY) as external auditor of the Company** for the financial year ending December 31, 2023 and to hold office until the next annual meeting of shareholders.

The Company maintains independence from the external auditors through Audit Committee oversight and a robust regulatory framework in Canada, including the requirement to rotate the lead engagement and concurring partners at least every seven years, followed by a five-year cooling-off period. In accordance with its mandate, the Audit Committee also annually conducts assessments of the performance and independence of the external auditor of the Company and reports to the Board on its conclusions regarding threats of institutional familiarity that could impact the independence of the external auditor and prevent the audit team from exercising appropriate professional skepticism. These assessments are based on recommendations by the CPA Canada and the Canadian Public Accountability Board (CPAB) to assist audit committees in their oversight duties.

In 2022, the Audit Committee conducted the annual assessment of the performance and independence of EY, the Company's external auditor. The Audit Committee's assessment included audit quality considerations, such as the auditor's independence, objectivity, professional skepticism, quality of the lead audit partner and audit team, and the CPAB inspection results. Based on the Audit Committee's annual assessment, the Board of Directors recommends that EY be appointed as the Company's external auditor for the 2023 financial year.

EY has served as external auditor of the Company (and its predecessor companies) since 1993. In conjunction with the Company's significant business acquisitions in 2011 and 2017, the Audit Committee also conducted comprehensive assessments of EY in order to recommend their appointments. The Company and its Board of Directors remain assured of the independence of EY, acting as external auditor of the Company.

Certain of the Company's subsidiaries, acquired in 2021, are subject to periodic mandatory audit tendering and audit firm rotation requirements. In conjunction with these requirements, the Company will go through a tendering process during 2023 for the appointment of the external auditor for the 2024 financial year and beyond.

The detailed voting results of the past two years concerning the appointment of the external auditor are set out below:

Year	Votes FOR	% Votes FOR	Votes withheld	% Votes withheld
2022	124,447,193	88.13%	16,769,181	11.87%
2021	107,879,474	94.79%	5,926,460	5.21%



## Pre-approval of External Auditor Services

As part of the Company's corporate governance practices, the Audit Committee maintains an auditor independence policy restricting the provision of non-audit services by the external auditor to the Company or its subsidiaries. Prior to the engagement of the external auditor to provide non-audit services, the Audit Committee must pre-approve such services with due consideration to maintaining the external auditor's independence. This includes consideration of all applicable regulatory requirements and Company's own internal policies. Fees paid to the external auditor for 2021 and 2022 are as follows:

### Auditor Fees

(in thousands of dollars)	2022	2021
Audit Fees <sup>(1)</sup>	7,262	6,368
Audit-related Fees <sup>(2)</sup>	851	514
Non-audit Fees		
Tax Fees <sup>(3)</sup>	31	163
All Other Fees <sup>(4)</sup>	464	1,543
<b>Total</b>	<b>8,608</b>	<b>8,588</b>


Notes:

<sup>(1)</sup> Audit fees are for professional services provided by the External Auditor for the audit and review of the Company's financial statements or services that are normally provided by the External Auditor in connection with statutory and regulatory filings or engagements. Audit fees include fees in relation to the audit of the Company's annual financial statements and those of its subsidiaries, review of the Company's interim financial statements, consultations concerning financial accounting and reporting standards, prospectus services, as well as translation services related to financial statements and prospectuses.

<sup>(2)</sup> Audit-related fees are for assurance and related services performed by the External Auditor not reported as audit fees and include due diligence services, accounting consultation related to future accounting standards, employee benefit plan audits and translation services of information other than financial statements and prospectuses.

<sup>(3)</sup> Tax fees are mainly related to assistance on tax audit matters and tax advisory services.

<sup>(4)</sup> Other fees include services other than audit, audit-related and tax services. These fees related to services such as compliance with regulatory requirements and industry benchmarks.

 Information regarding the Audit Committee as disclosed in the Company's 2022 Annual Information Form on **page 24** is hereby incorporated by reference. The AIF is available on SEDAR at [www.sedar.com](http://www.sedar.com), and upon request, shareholders may obtain a copy delivered free of charge.

## 3.3 Election of Directors

Unless otherwise indicated, all nominees are now members of the Board of Directors and have been Directors of the Company since the dates indicated. Directors elected at the Meeting will hold office from the close of the Meeting until the next annual meeting or until their successors are elected or appointed.



**Voting Recommendation:** The Board of Directors recommends that shareholders vote **FOR** the election of each Director Nominee. If no instructions are given, any designated Proxyholder who is a Director and/or an officer of the Company will vote in favour of the election of each Director nominee.

 See **pages 20 to 33** for more information about the Director nominees.

## 3.4 Approval of the Amended and Restated Shareholder Rights Plan

The Board of Directors of Intact Financial Corporation approved an amended and restated shareholder rights plan on April 19, 2017. The Amended and Restated Rights Plan was then adopted by the shareholders of Intact Financial Corporation at the annual and special meeting of shareholders held on May 3, 2017. Under its terms, the Amended and Restated Rights Plan must be reconfirmed by a resolution passed by more than 50% of the votes cast by all holders of Common Shares of the Company who vote in respect of such reconfirmation at every third annual meeting of shareholders of Intact Financial Corporation following the May 3, 2017 meeting. As such, the amended and restated shareholder rights plan was adopted again, without any change, by the Board of Directors on February 4, 2020 and reapproved by the shareholders of the Company at the 2020 annual and special meeting of shareholders.

On February 7, 2023, the Board of Directors, after examination, determined, for reasons more fully detailed below, that it is in the best interests of the Company and its shareholders to maintain a shareholder rights plan for another three-year term and adopted the Amended and Restated Rights Plan without any change. The Company asks that shareholders consider and, if deemed advisable, approve the resolution (the text of which is set out below) ratifying, reconfirming and reapproving the Amended and Restated Rights Plan. If the Rights Plan Resolution is not passed, the Amended and Restated Rights Plan shall terminate and be void and of no further force and effect on and from the date of termination of the Meeting. If the Rights Plan Resolution is passed, the Amended and Restated Rights Plan will require reconfirmation by the shareholders at the 2026 annual meeting of shareholders.

### Background and Relevant Considerations

#### Unequal Treatment

While the May 2016 amendments to the Canadian take-over bid regime addressed many of the concerns that justified the adoption of the Company's shareholder rights plan in the first place, there remains the possibility that control of a company may be acquired pursuant to private agreements in which a small group of shareholders disposes of shares at a premium to market price, which premium is not shared by the other shareholders. Also, a person may slowly accumulate Common Shares through stock exchange acquisitions which may result, over time, in the acquisition of control without payment of fair value for control or fair sharing of any control premium among all shareholders. The Amended and Restated Rights Plan aims to address such concerns, to require that bids be made to all shareholders and to prevent a potential acquirer from entering into lock-up agreements with existing shareholders prior to launching a take-over bid, except for permitted lock-up agreements as specified in the Amended and Restated Rights Plan.

#### Other Considerations

The Amended and Restated Rights Plan does not inhibit shareholders from exercising their rights as shareholders under the Company's corporate statute, the *Canada Business Corporations Act*. These rights include the right to solicit proxies to promote a change in the composition of the Board of Directors and to request a shareholders meeting to transact any proper business stated in the requisition. In addition, the Amended and Restated Rights Plan does not affect the financial condition of the Company. Finally, the issuance of rights has not changed and will not change the manner in which shareholders currently trade their Common Shares.

### Summary of the Amended and Restated Rights Plan

The material terms of the Amended and Restated Rights Plan are summarized in Schedule A and have not been amended further since it was approved by the Board of Directors of the Company on April 19, 2017 and by the shareholders of the Company on May 3, 2017. This summary is qualified in its entirety by reference to the actual provisions of the Amended and Restated Rights Plan, a copy of which is available on the SEDAR website at [www.sedar.com](http://www.sedar.com), or upon request from the Office of the Corporate Secretary of the Company. Certain definitions of the Amended and Restated Rights Plan have been summarized at the end of Schedule A for ease of reference.

### Approval

As mentioned above, to be effective, the Rights Plan Resolution must be approved by more than 50% of the votes cast by all holders of Common Shares of the Company who vote in respect of such resolution.

If no instructions were given, any designated Proxyholder who is a Director and/or an officer of the Company will vote FOR the approval of the Amended and Restated Rights Plan.



**Voting Recommendation: The Board of Directors recommends that shareholders vote FOR the following resolution:**

“BE IT RESOLVED, THAT:

- (1) The Amended and Restated Shareholder Rights Plan Agreement dated April 19, 2017 between the Company and Computershare Investor Services Inc. be and is hereby ratified, reconfirmed and reapproved.
- (2) Any director or officer of Intact Financial Corporation is authorized to do all such acts and things and to execute and deliver all such instruments, agreements and other documents as in such person’s opinion may be necessary or desirable in connection with the foregoing to give full effect to this resolution.”

## 3.5 Shareholder Advisory Vote on Approach to Executive Compensation

The Board of Directors believes that shareholders should have the opportunity to fully understand the objectives, philosophy and principles that the Board of Directors has used to make executive compensation decisions. It is the Board of Directors’ intention that this shareholder advisory vote will form an important part of the ongoing process of engagement between shareholders and the Board of Directors on compensation. The approach to Executive Compensation was accepted by a majority of shareholders in 2022. The detailed voting results of the past two years concerning the Advisory Resolution on the Approach to Executive Compensation are set out below:

Year	Votes FOR	% Votes FOR	Votes Against	% Votes Against
2022	137,493,809	97.74%	3,184,380	2.26%
2021	110,957,489	97.63%	2,689,895	2.37%

The “Statement on Executive Compensation” section of this Circular discusses the Board of Directors’ compensation philosophy, the objectives of the different elements of the Company’s compensation programs and the way the Board of Directors assesses performance and makes decisions. It explains how the Company’s compensation programs are centred on a pay-for-performance culture and are aligned with strong risk management principles and the long-term interests of shareholders and other stakeholders. Furthermore, in the event that more than 20% of shareholders vote against the approach to executive compensation disclosed in the Company’s Circular delivered in advance of the Meeting, the Board of Directors will engage with the shareholders to better understand and respond to their concerns. This disclosure has been approved by the Board of Directors on the recommendation of the HRC Committee.



**Voting Recommendation: The Board of Directors recommends that shareholders vote FOR the following non-binding advisory resolution:**

“BE IT RESOLVED, on a non-binding and advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Company’s Management Proxy Circular delivered in advance of the 2023 Annual and Special Meeting of Shareholders.”

If no instructions are given, any designated Proxyholder who is a Director and/or an officer of the Company will vote in favour of the approval of the Advisory Resolution on the Approach to Executive Compensation.



Please see the “Statement on Executive Compensation” section starting on **page 94** of this Circular for more information on compensation matters. If there are specific concerns you wish to discuss, please consult the **“How to contact us”** section of the Circular for contact information.

## 3.6 Other Business

As of the date of this Circular, the Company is not aware of any changes to the items described above and does not expect any other items to be brought forward at the Meeting. If there are changes or new items, your Proxyholder can vote your shares on these items as he or she sees fit.

## 4 Directors

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### Where to find it

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## 4.1 Nominees

The thirteen (13) nominees are profiled below, including their backgrounds and experience, key skills, meeting attendance, past annual meeting voting results, share ownership and other public company boards served on during the past five years. Please note that, unless otherwise indicated, the information hereunder as to Common Shares and deferred share units beneficially owned or controlled, directly or indirectly, has been furnished by each of the nominees, as of December 31, 2022 and, with respect to non-related Directors, includes Common Shares and DSUs received in early 2023 for services rendered in the fourth quarter of 2022. Unless otherwise indicated, all of the nominees are now members of the Board of Directors and have been Directors of the Company since the dates indicated.

The Board of Directors prioritize selecting director nominees that have diverse and complementary skills and perspectives, can contribute meaningfully to the Company's purpose and can provide valuable insight to Management on key societal and industry trends impacting our business and the insurance industry in general. On July 25, 2022, Mr. Michael Katchen was appointed to the Company's Board of Directors. The Company was pleased to welcome Mr. Katchen to its Board, as he brings unique perspectives on consumer expectations and how they are evolving, digital engagement and disruption in the financial industry, in addition to age diversity to the Board. For more information on the Board nomination and renewal process, please see [pages 58 to 61](#) of this Circular.

Management does not contemplate that any of the proposed nominees will be unable to serve as a Director but, if that should occur for any reason prior to the Meeting, the Board of Directors or Management representatives designated in the proxy form/VIF reserve the right to vote for another nominee at their discretion. All elected Directors of the Company will hold office until the next annual meeting of shareholders of the Company or until their successors are elected or appointed.

Should all thirteen (13) nominees profiled below be elected, the gender diversity, geographic mix and average tenure of the Board of Directors for 2023 will be the following:

### Gender



**53.8%** Men  
**46.2%** Women

### Geographic mix



**61.5%** Canada  
**30.8%** USA  
**7.7%** Europe

### Tenure



**53.8%** 0-4 years  
**23.1%** 5-8 years  
**15.4%** 9-12 years  
**7.7%** over 12 years<sup>1</sup>

See [pages 60 and 61](#) as well as [pages 66 and 67](#) for more information about Director tenure and diversity, respectively.

<sup>1</sup> The CEO is also a Director of the Company since 2008.





## William L. Young, P. Eng., MBA

### Independent Director – Chair of the Board

Lexington, Massachusetts, USA  
Director since: 2018  
Age: 68

### Key Skills

- Financial expertise
- Governance
- International markets
- Strategic leadership / Senior Executive
- Talent management / Executive compensation

Mr. Young is a corporate director with extensive public company board experience. He was appointed Chair of the board of directors of SNC-Lavalin Group Inc. in September 2020, and until 2022, was a member of the Magna International board of directors since 2011 and chaired that board since 2012. He also has extensive experience in the private equity sector. He co-founded and was a partner of Monitor Clipper Partners, a private equity firm established in 1998. He is also a founding partner of Westbourne Management Group (1988) and was a partner in the European practice of Bain & Company (1981 to 1988). Mr. Young possesses significant operational experience, as well as extensive mergers and acquisitions experience. He is Chair Emeritus of the Board of Trustees of Queen's University, which he chaired from 2006 to 2012, and he is chair of the board of the Canadian Institute for Advanced Research (CIFAR). Mr. Young has significant private company board and board leadership experience over the last 20 years, including at a number of European and U.S.-based companies. He is a professional engineer (P.Eng. – Ontario) with a B.Sc. (Honours) in chemical engineering (Queen's) and an MBA with distinction (Harvard).

Board and Committee Membership	2022 Meeting Attendance
Board (Chair)	6/6 (100%)
Audit Committee	3/3 (100%)**
Governance and Sustainability Committee	2/2 (100%)**

Past Annual Meeting Voting Results	2021	2022
Votes FOR	110,675,488	138,976,868
% Votes FOR	97.38%	98.79%
Votes Withheld	2,971,896	1,701,321
% Votes Withheld	2.62%	1.21%

Securities Held	2021	2022	2022 \$ value*
Common Shares	8,200	8,200	1,598,262
DSUs	4,561	5,608	1,093,055
Total Common Shares and DSUs	12,761	13,808	2,691,317

Director Share Ownership Requirement	Met
4x Annual Retainer in Common Shares and/or DSUs	Met

Other Public Company Board Memberships During the Last Five (5) years	
SNC-Lavalin Group Inc.	2020–present
Magna International Inc.	2011–2022

\* Based on IFC's December 30, 2022 closing share price of \$194.91.

\*\* Mr. Young ceased to be a member of the Audit Committee and Governance and Sustainability Committee effective in May 2022.



## Charles Brindamour, B.Sc.

### Chief Executive Officer

Toronto, Ontario, Canada  
Director since: 2008  
Age: 52

### Key Skills

- International markets
- P&C operations
- Risk management
- Strategic leadership / Senior Executive
- Talent management / Executive compensation

Charles Brindamour is Chief Executive Officer of Intact Financial Corporation, the largest provider of property and casualty insurance in Canada and a leading provider of specialty insurance and, with RSA, a leader in the UK and Ireland. He began his career with Intact in 1992 and has held progressively senior roles in Canada and abroad within the Company and its former Affiliates, including Senior Vice President of Personal Lines, Executive Vice President and Chief Operating Officer. Mr. Brindamour was appointed President and CEO in January 2008.

Under Mr. Brindamour's leadership, the Company became an independent and widely-held Canadian company in 2009 and two years later acquired AXA Canada, the largest acquisition in the history of Canada's property and casualty (P&C) insurance industry. In 2017, Mr. Brindamour grew the Company's presence further into the United States with the acquisition of OneBeacon Insurance Group, Ltd. In 2021, Mr. Brindamour successfully led the acquisition of RSA Insurance Group plc, Intact's largest acquisition to date, growing premiums from \$12 billion to \$20 billion.

Mr. Brindamour is a graduate of Université Laval in Actuarial Science and an Associate of the Casualty Actuarial Society. In May 2019, Mr. Brindamour received an honorary PhD from HEC Montréal. He is a board member of Intact Financial Corporation, the Geneva Association, the Canadian Imperial Bank of Commerce and the Business Council of Canada.

Board and Committee Membership	2022 Meeting Attendance
Board	6/6 (100%)

Past Annual Meeting Voting Results	2021	2022
Votes FOR	113,594,947	140,617,720
% Votes FOR	99.95%	99.96%
Votes Withheld	52,437	60,469
% Votes Withheld	0.05%	0.04%

Securities Held	2021*	2022	2022 \$ value**
Common Shares	332,142	373,270	72,754,056
RSUs***	32,375	14,857	2,895,778
PSUs****	130,166	140,513	27,387,389
Total Common Shares, RSUs and PSUs	494,683	528,640	103,037,222

Mr. Brindamour does not receive separate compensation for his services as a director. For more information on Mr. Brindamour's compensation as an NEO, please see [page 123](#) of the Circular.

Director Share Ownership Requirement	
2x Annual LTIP target in Common Shares	Met

Other Public Company Board Memberships During the Last Five (5) years	
Canadian Imperial Bank of Commerce	2020–present
Hydro One Limited	2015–2018

\* The number of PSUs held in 2021 was revised from last year's Management Proxy Circular to include the 2021 dividend equivalents credited on Mr. Brindamour's PSUs.

\*\* Based on IFC's December 30, 2022 closing share price of \$194.91.

\*\*\* Refers to Restricted Share Units that automatically vest three years following grant on a one for one basis into Common Shares of Intact Financial Corporation. Restricted Share Units are uniquely granted to members of Management of the Company. See [pages 114 to 118](#) for further details.

\*\*\*\* Refers to Performance Share Units which reward operational excellence. The PSU payouts are based on IFC's three-year average ROE relative to the industry. Unvested PSUs are not included in the ownership calculation for purposes of the Senior Executive share ownership policy. The value of the PSUs assumes vesting of all grants at 100%. See [pages 114 to 118](#) for further details.



## Emmanuel Clarke

### Independent Director

Horgen, Switzerland  
 Director since: 2021  
 Age: 53

### Key Skills

- International markets
- P&C operations
- Risk management
- Strategic leadership / Senior Executive
- Talent management / Executive compensation

Mr. Clarke has had a long and established career in the insurance industry, having spent more than 25 years at PartnerRe, most recently serving as President and Chief Executive Officer.

Over his tenure at PartnerRe, a leading global reinsurer, Mr. Clarke held various underwriting leadership roles in the company's property and casualty (P&C) specialty lines and international divisions. In 2015, he was appointed President of the company and shortly thereafter took on the role of President and Chief Executive Officer, where his leadership was instrumental in building the company's global reinsurance business.

Mr. Clarke serves on various boards, including the board of directors of Wakam and Compre Group.

Board and Committee Membership	2022 Meeting Attendance
Board	6/6 (100%)
Audit Committee	5/5 (100%)
Risk Management Committee	4/4 (100%)

Past Annual Meeting Voting Results	2021	2022
Votes FOR	–	140,349,802
% Votes FOR	–	99.77%
Votes Withheld	–	328,387
% Votes Withheld	–	0.23%

Securities Held	2021	2022	2022 \$ value*
Common Shares	274	1,660	323,551
DSUs	0	0	0
Total Common Shares and DSUs	274	1,660	323,551

Director Share Ownership Requirement
4x Annual Retainer in Common Shares and/or DSUs
Has until July 22, 2026 to comply

Other Public Company Board Memberships During the Last Five (5) years
–

\* Based on IFC's December 30, 2022 closing share price of \$194.91.



## Janet De Silva, MBA

### Independent Director

Toronto, Ontario, Canada  
Director since: 2013  
Age: 62

### Key Skills

- Financial services
- Governance
- Government / Public affairs
- International markets
- Strategic leadership / Senior Executive

In 2015, Ms. De Silva was named President & CEO of the Toronto Region Board of Trade, one of the largest and most influential business organizations in North America. Prior to this role, she had 14 years of international CEO experience in Asia leading Sun Life Financial's businesses in Hong Kong and mainland China. She co-founded and later sold Retail China Limited, a company that worked with international retail brands operating their retail stores and managing their franchises in China. Ms. De Silva was also Dean of Ivey Asia, leading the Hong Kong campus and mainland China operations of Ivey Business School at Western University. She presently serves as a board member of Blue Umbrella Limited, a global compliance technology company headquartered in Hong Kong. She is a past member of the board of the Asian Corporate Governance Association. She has served terms both as Chair and President of the Canadian Chamber of Commerce in Hong Kong and Chair of the Canada China Business Council, Beijing. In 2019, Ms. De Silva was appointed by Prime Minister Justin Trudeau to represent Canada on the APEC Business Advisory Council. Ms. De Silva holds an MBA from the Ivey Business School at Western University and a Doctor of Law *honoris causa* from Thompson Rivers University.

Board and Committee Membership	2022 Meeting Attendance
Board	6/6 (100%)
Audit Committee	5/5 (100%)
Risk Management Committee	4/4 (100%)

Past Annual Meeting Voting Results	2021	2022
Votes FOR	112,753,323	140,354,795
% Votes FOR	99.21%	99.77%
Votes Withheld	894,061	323,394
% Votes Withheld	0.79%	0.23%

Securities Held	2021	2022	2022 \$ value*
Common Shares	5,710	5,710	1,112,936
DSUs	11,940	13,539	2,638,886
Total Common Shares and DSUs	17,650	19,249	3,751,822

Director Share Ownership Requirement	
4x Annual Retainer in Common Shares and/or DSUs	Met

Other Public Company Board Memberships During the Last Five (5) years
—

\* Based on IFC's December 30, 2022 closing share price of \$194.91.



## Michael Katchen

### Independent Director

Toronto, Ontario, Canada  
Director since: 2022  
Age: 35

### Key Skills

- Strategic leadership / Senior Executive
- Marketing / Brand awareness
- Technology
- Talent management / Executive compensation
- Financial services

In 2014, Mr. Katchen co-founded Wealthsimple, a leading fintech with over \$20B in assets under administration. He has been called an Industry Mover by the *Financial Post*, a Change Agent by *Canadian Business Magazine* and one of Toronto's 50 most influential people by *Toronto Life*. Mr. Katchen has received the Entrepreneur of the Year award from Ernst & Young, Canadian Startup Awards and Techvibes, as well as been named one of Canada's "Top 40 Under 40".

Mr. Katchen is an active member of the Canadian Business Council and is on the board of the Wealthsimple Foundation, an initiative that helps children from low-income families save for post-secondary education. Mr. Katchen holds an Honours degree in Business Administration from the Ivey Business School at Western University.

Board and Committee Membership		2022 Meeting Attendance
Board		3/3 (100%)**
Human Resources and Compensation Committee		2/2 (100%)**

Past Annual Meeting Voting Results	2021	2022
Votes FOR	–	–
% Votes FOR	–	–
Votes Withheld	–	–
% Votes Withheld	–	–

Securities Held	2021	2022	2022 \$ value*
Common Shares	–	1	195
DSUs	–	532	103,692
Total Common Shares and DSUs	–	533	103,887

Director Share Ownership Requirement	
4x Annual Retainer in Common Shares and/or DSUs	Has until July 25, 2027 to comply

Other Public Company Board Memberships During the Last Five (5) years
–

\* Based on IFC's December 30, 2022 closing share price of \$194.91.

\*\* Mr. Katchen was appointed a member of the Board of Directors and of the Human Resources and Compensation Committee effective July 25, 2022. He attended every meeting held in 2022 following his appointment.



## Stephani Kingsmill, B.Comm

### Independent Director

Toronto, Ontario, Canada  
Director since: 2022  
Age: 56

### Key Skills

- Financial services
- Governance
- International markets
- Strategic leadership / Senior Executive
- Talent management / Executive compensation

Ms. Kingsmill is a corporate director and former executive who served in a wide range of roles during her 30-year career with Manulife Financial Corporation. She was a member of the company's global Executive Leadership Team for a decade, most recently as Senior Advisor to the CEO. Previously Ms. Kingsmill was Executive Vice President, Human Resources, responsible for the company's workforce of 35,000 people located primarily in 13 countries. Prior to that, she was Senior Vice President & General Manager, Real Estate, responsible for Manulife's multi-billion dollar investment portfolio of prime office and industrial properties in Canada, the U.S. and Asia. She also has experience in the company's core financial services business lines with increasingly senior roles in strategy, marketing and product development in Manulife's US Division, Canadian Division and global third party asset management business.

Ms. Kingsmill holds a Bachelor of Commerce (Honours) degree from Queen's University and the ICD.D from the Institute of Corporate Directors. She was named one of Canada's Most Powerful Women by the Women's Executive Network in 2008, 2009 and 2014.

Board and Committee Membership	2022 Meeting Attendance
Board	3/3 (100%)**
Governance and Sustainability Committee	2/2 (100%)**
Human Resources and Compensation Committee	2/2 (100%)**

Past Annual Meeting Voting Results	2021	2022
Votes FOR	–	140,616,124
% Votes FOR	–	99.96%
Votes Withheld	–	62,065
% Votes Withheld	–	0.04%

Securities Held	2021	2022	2022 \$ value*
Common Shares	594	594	115,777
DSUs	–	842	164,114
Total Common Shares and DSUs	594	1,436	279,891

Director Share Ownership Requirement
4x Annual Retainer in Common Shares and/or DSUs
Has until May 11, 2027 to comply

Other Public Company Board Memberships During the Last Five (5) years
NorthWest Healthcare Properties REIT
2020–present

\* Based on IFC's December 30, 2022 closing share price of \$194.91.

\*\* Ms. Kingsmill was elected as a member of the Board and appointed a member of the Governance and Sustainability Committee and Human Resources and Compensation Committee effective as of May 11, 2022. She attended every meeting held in 2022 following her appointment.



## Jane E. Kinney, FCPA, FCA

### Independent Director

Toronto, Ontario, Canada  
Director since: 2019  
Age: 65

### Key Skills

- Financial expertise
- Financial services
- Governance
- Legal and regulatory affairs
- Risk management

With over 30 years of experience in the financial services sector, Ms. Kinney is a recognized leader in governance, risk management, regulatory compliance and internal audit services. Until 2019, she was Vice Chair of Deloitte and she is a former member of its leadership team. Prior to that role, she occupied various positions at Deloitte, including Canadian Managing Partner, Quality & Risk and Global Chief Risk Officer. She is also a former member of Deloitte's board of directors and Risk Committee. Ms. Kinney's governance and risk experience includes numerous reviews and independent evaluations of organizations responding to regulator findings. A substantial portion of her practice has focused on the evolving areas of risk governance and risk appetite.

Ms. Kinney is an active member of the community and has been a member of various boards, and is presently Vice Chair at the Perimeter Institute for Theoretical Physics and Chair of the Finance Committee. She also is a long-time supporter and the current chair of the Patron's Council of the Alzheimer Society of Toronto. Since 2019, she has been a board member of Cenovus Energy Inc., and in February 2021 she was appointed a director and is now Chair of Nautilus Indemnity Holdings Limited ("Nautilus"), a private insurance company based in Bermuda, and a director and Chair of Nautilus Indemnity (Europe) DAC, a subsidiary of Nautilus.

Ms. Kinney is a leader of her profession and has been recognized as a Fellow of the Chartered Professional Accountants of Ontario, in addition to being a frequent speaker at conferences focusing on regulatory compliance, internal audit, corporate governance and enterprise risk management. She has a mathematics degree from the University of Waterloo and was recognized with an Alumni Achievement Award in 2013. She has been an advocate for women throughout her career and was recognized as one of Canada's Most Powerful Women in 2014.

Board and Committee Membership	2022 Meeting Attendance
Board	6/6 (100%)
Audit Committee (Chair)	5/5 (100%)
Governance and Sustainability Committee	4/4 (100%)

Past Annual Meeting Voting Results	2021	2022
Votes FOR	111,086,738	137,449,314
% Votes FOR	97.75%	97.70%
Votes Withheld	2,560,646	3,228,875
% Votes Withheld	2.25%	2.30%

Securities Held	2021	2022	2022 \$ value*
Common Shares	800	800	155,928
DSUs	4,527	5,237	1,020,744
Total Common Shares and DSUs	5,327	6,037	1,176,672

Director Share Ownership Requirement	Met
4x Annual Retainer in Common Shares and/or DSUs	Met

Other Public Company Board Memberships During the Last Five (5) years	
Cenovus Energy Inc.	2019–present

\* Based on IFC's December 30, 2022 closing share price of \$194.91.





## Robert G. Leary, J.D.

### Independent Director

North Palm Beach, Florida, USA  
Director since: 2015  
Age: 62

### Key Skills

- Investment management
- Financial expertise
- Risk management
- Social and environmental responsibility
- Strategic leadership / Senior Executive

Mr. Leary is a corporate director. He was previously CEO of The Olayan Group, a private international investor and a diverse commercial and industrial group with operations globally. Mr. Leary was also previously CEO of Nuveen, a U.S.-based investment management firm that was acquired in 2014 by TIAA-CREF (Teachers Insurance & Annuity Association – College Retirement Equities Fund), now known as TIAA. Mr. Leary joined TIAA-CREF in 2013 and was instrumental in the acquisition and invigoration of Nuveen as well as its integration with TIAA's pre-existing asset management business. In that role, Mr. Leary oversaw the expansion of TIAA/Nuveen's socially responsible and ESG assets under management. Mr. Leary began his career as a lawyer for White & Case in New York, and then moved into the financial services arena with J.P. Morgan & Co., where he led the development of fixed-income derivative applications and investment strategies for pension plans and other investment managers. In the course of more than 20 years in the industry, Mr. Leary helped build AIG Financial Products' investment business and led all of its client-facing businesses globally, from marketing to distribution, and later was CEO of ING Investment Management Americas and ING Insurance U.S. At ING U.S., he was responsible for the investment management, retirement, insurance and annuity businesses, as well as operations, IT and marketing in the U.S. He has been a frequent speaker or panelist at numerous industry conferences and has appeared in major financial media. He earned his bachelor's degree in political science at Union College and his law degree from Fordham University School of Law.

Board and Committee Membership	2022 Meeting Attendance
Board	6/6 (100%)
Human Resources and Compensation Committee	5/5 (100%)
Risk Management Committee (Chair)	4/4 (100%)

Past Annual Meeting Voting Results	2021	2022
Votes FOR	113,589,695	140,376,806
% Votes FOR	99.95%	99.79%
Votes Withheld	57,689	301,383
% Votes Withheld	0.05%	0.21%

Securities Held	2021	2022	2022 \$ value*
Common Shares	2,645	2,645	515,537
DSUs	13,827	15,815	3,082,502
Total Common Shares and DSUs	16,472	18,460	3,598,039

Director Share Ownership Requirement	Met
4x Annual Retainer in Common Shares and/or DSUs	Met

Other Public Company Board Memberships During the Last Five (5) years	
Citizens Financial Group, Inc.	2020–present

\* Based on IFC's December 30, 2022 closing share price of \$194.91.



## Sylvie Paquette, B.Sc.

### Independent Director

Québec City, Québec, Canada  
Director since: 2017  
Age: 63

### Key Skills

- Financial expertise
- P&C operations
- Risk management
- Strategic leadership / Senior Executive
- Talent management / Executive compensation

Sylvie Paquette has spent her entire career in the P&C insurance industry in Canada. She joined Desjardins Group in 1984 and held a variety of progressively more senior roles within the organization before being promoted in 2008 to Senior Executive Vice-President and General Manager of the Group's P&C insurance division as well as President and Chief Operating Officer of Desjardins General Insurance Group (DGIG). During Ms. Paquette's tenure as President and COO, she spearheaded Desjardins' acquisition of State Farm's Canadian operations in 2015. She retired from Desjardins Group in December 2016.

Ms. Paquette has been actively involved in key industry associations. In recent years, she was a board member of the Insurance Bureau of Canada (Chair in 2015 and 2016), of the General Insurance Statistical Agency, of the Institute for Catastrophic Loss Reduction and of the Centre for Insurance and Financial Services Development (Chair from 2009 to 2014). Throughout her career, Ms. Paquette has co-chaired major fundraising campaigns, and she sat on the board of Laval University's Foundation until recently. Ms. Paquette is a graduate of the Actuarial Science program at Laval University. She also has a university certification in corporate governance from Laval University.

Board and Committee Membership	2022 Meeting Attendance
Board	6/6 (100%)
Human Resources and Compensation Committee	5/5 (100%)
Risk Management Committee	4/4 (100%)

Past Annual Meeting Voting Results	2021	2022
Votes FOR	112,757,492	140,376,077
% Votes FOR	99.22%	99.79%
Votes Withheld	889,892	302,112
% Votes Withheld	0.78%	0.21%

Securities Held	2021	2022	2022 \$ value*
Common Shares	2,000	2,000	389,820
DSUs	8,233	9,161	1,785,571
Total Common Shares and DSUs	10,233	11,161	2,175,391

Director Share Ownership Requirement
4x Annual Retainer in Common Shares and/or DSUs
Met

Other Public Company Board Memberships During the Last Five (5) years
–

\* Based on IFC's December 30, 2022 closing share price of \$194.91.



## Stuart J. Russell, Ph.D., OBE

### Independent Director

Berkeley, California, USA  
Director since: 2020  
Age: 61

### Key Skills

- Risk management
- Social and environmental responsibility
- Strategic leadership / Senior Executive
- Talent management / Executive compensation
- Technology

Mr. Russell is a pioneer researcher in artificial intelligence (“AI”) who co-authored in the mid-1990s *Artificial Intelligence: A Modern Approach*, the leading textbook in the field. His research on AI covers a broad range of topics including machine learning, probabilistic reasoning, knowledge representation, planning and real-time decision-making. He joined the faculty of the University of California at Berkeley in 1986 and is a Professor (and former Chair) of Electrical Engineering and Computer Sciences and holder of the Smith-Zadeh Chair in Engineering. Mr. Russell also serves as Co-Chair of the World Economic Forum’s Council on Artificial Intelligence, and is a co-founder and Vice-President of Bayesian Logic, Inc., a data analysis start-up under contract with the United Nations Comprehensive Nuclear-Test-Ban Treaty Organization. Mr. Russell is also a member of the advisory boards of Varo Money, Inc., ReciTAL SAS, Planet Labs Inc. and Faculty Science Ltd.

Mr. Russell is a recipient of the Presidential Young Investigator Award of the National Science Foundation, the IJCAI Computers and Thought Award and Research Excellence Award, the World Technology Award (Policy category), the Mitchell Prize of the American Statistical Association and the International Society for Bayesian Analysis, the Feigenbaum Prize of the Association for the Advancement of Artificial Intelligence, the ACM Karlstrom Outstanding Educator Award and the AAAI/EAAI Outstanding Educator Award. In 2021, he delivered the BBC Reith Lectures. Mr. Russell holds a Bachelor of Arts degree with first-class honours in Physics from the University of Oxford and a Ph.D. in Computer Science from Stanford University. He is a Fellow of the American Association for Artificial Intelligence, the Association for Computing Machinery and the American Association for the Advancement of Science, and is an Honorary Fellow of Wadham College, Oxford.

Board and Committee Membership	2022 Meeting Attendance
Board	6/6 (100%)
Human Resources and Compensation Committee	5/5 (100%)
Risk Management Committee	4/4 (100%)

Past Annual Meeting Voting Results	2021	2022
Votes FOR	112,752,687	140,372,956
% Votes FOR	99.21%	99.78%
Votes Withheld	894,697	305,233
% Votes Withheld	0.79%	0.22%

Securities Held	2021	2022	2022 \$ value*
Common Shares	1,674	2,752	536,392
DSUs	0	0	0
Total Common Shares and DSUs	1,674	2,752	536,392

Director Share Ownership Requirement	
4x Annual Retainer in Common Shares and/or DSUs	Has until May 6, 2025 to comply

Other Public Company Board Memberships During the Last Five (5) years
—

\* Based on IFC’s December 30, 2022 closing share price of \$194.91.



## Indira V. Samarasekera, Ph.D., P. Eng.

### Independent Director

Vancouver, British Columbia, Canada  
Director since: 2021  
Age: 70

### Key Skills

- Technology
- Strategic leadership / Senior Executive
- Government / Public affairs
- Talent management / Executive compensation
- Governance

Dr. Samarasekera is a corporate director and Senior Advisor at Bennett Jones, LLP. Dr. Samarasekera served as the President and Vice-Chancellor of the University of Alberta from 2005 to 2015. She is internationally recognized as a leading metallurgical engineer, including for her work on steel process engineering, for which she was appointed an Officer of the Order of Canada. Among other things, Dr. Samarasekera was previously a member of Canada's Science, Technology and Innovation Council as well as Canada's Global Commerce Strategy. She possesses an M.Sc. in mechanical engineering from the University of California, as well as a Ph.D. in metallurgical engineering from the University of British Columbia. Dr. Samarasekera has also been elected as a Foreign Associate of the National Academy of Engineering in the U.S. She currently serves on the board of the Canadian Institute for Advanced Research, together with Mr. Young. Dr. Samarasekera is also a committee member of the TMX Group/Institute of Corporate Directors' Committee on the Future of Corporate Governance in Canada.

Board and Committee Membership	2022 Meeting Attendance
Board	5/6 (83%)
Human Resources and Compensation Committee (Chair)	5/5 (100%)
Governance and Sustainability Committee	4/4 (100%)

Past Annual Meeting Voting Results	2021	2022
Votes FOR	112,497,471	139,496,753
% Votes FOR	98.99%	99.16%
Votes Withheld	1,149,913	1,181,436
% Votes Withheld	1.01%	0.84%

Securities Held	2021	2022	2022 \$ value*
Common Shares	0	0	0
DSUs	909	2,329	453,945
Total Common Shares and DSUs	909	2,329	453,945

Director Share Ownership Requirement
4x Annual Retainer in Common Shares and/or DSUs
Has until May 12, 2026 to comply

Other Public Company Board Memberships During the Last Five (5) years	
Magna International Inc.	2014–present
TC Energy Corporation	2016–present
Stelco Holdings Inc.	2018–present
Bank of Nova Scotia	2008–2021

\* Based on IFC's December 30, 2022 closing share price of \$194.91.



## Frederick Singer, BA, B.Comm, LL.B, MA, MBA

### Independent Director

Great Falls, Virginia, USA  
Director since: 2013  
Age: 60

### Key Skills

- International markets
- Marketing / Brand awareness
- Strategic leadership / Senior Executive
- Talent management / Executive compensation
- Technology

Mr. Singer is an internet pioneer, entrepreneur and current documentary filmmaker whose career and philanthropic accomplishments have spanned a broad range of sectors including software, media, education, climate technology, arts, science and veterans affairs. Mr. Singer is currently an advisor to Rockbridge Growth Equity on matters relating to workforce training and blockchain investments. He is also currently completing a documentary and course called “5 Big Life Decisions” based on a 30-year longitudinal documentary on his Harvard Business School class. Mr. Singer was formerly CEO of Echo360, a SaaS education technology company. Previously, Mr. Singer was a Senior Advisor to Masayoshi Son, President and CEO of Softbank Corporation in Japan, and was also active as a venture partner at Softbank Capital in the U.S. Prior to Softbank, Mr. Singer held a number of senior roles at AOL including Chief Operating Officer of AOL Studios, Chief Operating Officer for ICQ (instant messaging) and Senior Vice President of Emerging Products. Prior to AOL, he was a founder of the Washington Post Online Service (now WashingtonPost.com) and a consultant with Bain & Company. Mr. Singer has served on a number of business, charitable and educational boards including DoubleClick, Motley Fool Company, Kennedy Center for the Performing Arts (International Committee), Queen’s University School of Business, Upper Canada College, The Langley School and “Warrior to Cyber Warrior”, which focuses on providing distance learning training in the field of cybersecurity to wounded veterans. He was named one of *Washingtonian Magazine*’s “Tech Titans” in 2013 and 2015. He has also funded pioneering research in autism with the Children’s National Medical Center and Stanford University. Mr. Singer holds an MBA from Harvard University, as well as an LL.B, MA in Philosophy, BA with Distinction in Philosophy and a Bachelor of Commerce (Honours) from Queen’s University in Canada. He is also a recipient of the Tricolour award at Queen’s University.

Board and Committee Membership	2022 Meeting Attendance
Board	6/6 (100%)
Audit Committee	5/5 (100%)
Governance and Sustainability Committee (Chair)	4/4 (100%)

Past Annual Meeting Voting Results	2021	2022
Votes FOR	113,496,336	139,891,138
% Votes FOR	99.87%	99.44%
Votes Withheld	151,048	787,051
% Votes Withheld	0.13%	0.56%

Securities Held	2021	2022	2022 \$ value*
Common Shares	2,380	2,380	463,886
DSUs	18,313	20,354	3,967,198
Total Common Shares and DSUs	20,693	22,734	4,431,084

Director Share Ownership Requirement	
4x Annual Retainer in Common Shares and/or DSUs	Met

Other Public Company Board Memberships During the Last Five (5) years
–

\* Based on IFC’s December 30, 2022 closing share price of \$194.91.



## Carolyn A. Wilkins, BA, MA

### Independent Director

Ottawa, Ontario, Canada  
Director since: 2021  
Age: 59

### Key Skills

- Financial services
- Governance
- Government / Public affairs
- Risk management
- Strategic leadership / Senior Executive

Carolyn A. Wilkins joined Princeton University's Grisworld Center for Economic Policy as a senior research scholar in January 2022. She also sits on the Bank of England's Financial Policy Committee as an external member and she is a mentor for the blockchain stream at the Rotman School of Management's Creative Destruction Lab.

Prior to these appointments, Ms. Wilkins had a distinguished 20-year career at the Bank of Canada, serving as Senior Deputy Governor from 2014 to 2020, setting monetary and financial system policies with its Governing Council, and overseeing strategic planning and economic research. Ms. Wilkins led the development of the Bank's market liquidity facilities and large-scale asset purchase program as part of its COVID-19 response. She has made important contributions to international financial policies over her career, including as the Bank of Canada's G20 and G7 Deputy and member of the Financial Stability Board.

Ms. Wilkins holds an Honours BA in Economics from Wilfrid Laurier University and an MA in Economics from Western University. She was named one of Canada's Most Powerful Women: Top 100 Award by the Women's Executive Network in 2016 and 2018.

Board and Committee Membership	2022 Meeting Attendance
Board	6/6 (100%)
Audit Committee	5/5 (100%)
Risk Management Committee	4/4 (100%)

Past Annual Meeting Voting Results	2021	2022
Votes FOR	113,599,235	140,347,240
% Votes FOR	99.96%	99.76%
Votes Withheld	48,149	330,949
% Votes Withheld	0.04%	0.24%

Securities Held	2021	2022	2022 \$ value*
Common Shares	0	0	0
DSUs	1,167	2,536	494,292
Total Common Shares and DSUs	1,167	2,536	494,292

Director Share Ownership Requirement
4x Annual Retainer in Common Shares and/or DSUs
Has until February 1, 2026 to comply

Other Public Company Board Memberships During the Last Five (5) years
—

\* Based on IFC's December 30, 2022 closing share price of \$194.91.

## 4.2 Director Compensation

### Total Compensation Paid to Directors in 2022

The total compensation paid to Directors of the Company during the year ended December 31, 2022, other than Directors who also serve as officers of Intact Financial Corporation or its affiliates, is set out in the table below. Directors' compensation is not, and has not been in the past, paid to Directors who serve as officers of the Company or its affiliates.

Name	Fees earned in cash (\$)	Share Based Awards (DSUs) <sup>(1)</sup> (\$)	Share Based Awards (Common Shares) <sup>(1)</sup> (\$)	Percentage of Fees in Cash/DSUs/Shares <sup>(5)</sup> (%)	Total (\$)
Emmanuel Clarke <sup>(2)</sup>	34,211	0	259,899	12/0/88	294,110
Janet De Silva	0	251,000	0	0/100/0	251,000
Claude Dussault	144,053 <sup>(3)</sup>	77,967	0	49/51/0	222,020
Michael Katchen	0	103,978	0	0/100/0	103,978
Stephani Kingsmill	0	160,668	0	0/100/0	160,668
Jane E. Kinney	153,500	114,500	0	57/43/0	268,000
Robert G. Leary <sup>(2)</sup>	319,335 <sup>(4)</sup>	316,479	0	0/100/0	635,814
Sylvie Paquette	110,500	140,500	0	44/56/0	251,000
Timothy H. Penner	55,665	0	41,522	57/0/43	97,187
Stuart J. Russell <sup>(2)</sup>	72,699	0	221,411	25/0/75	294,110
Indira V. Samarasekera	0	261,882	0	0/100/0	261,882
Frederick Singer <sup>(2)</sup>	0	308,761	0	0/100/0	308,761
Carolyn A. Wilkins	0	251,000	0	0/100/0	251,000
William L. Young <sup>(2)</sup>	246,363	178,831	0	58/42/0	425,194

Notes:

<sup>(1)</sup> Share-based awards to Directors of the Company are made in the form of DSUs or Common Shares as discussed more fully under the heading "Information on DSU and Share Purchase Plan for non-related Directors" below. The number of DSUs and Common Shares granted to each Director in 2022 is disclosed in the table entitled "Outstanding Director Share-Based Awards" on [page 39](#).

<sup>(2)</sup> The "equity component" of our non-Canadian Directors' compensation, representing a value of \$114,500 (or \$215,000 for the Chair) payable in DSUs or Common Shares, is paid in Canadian dollars. The "cash component" of our non-Canadian Directors' compensation, representing the remaining value of their total compensation payable in cash, DSUs or Common Shares, is paid in U.S. dollars without adjustments to reflect the exchange rate. For the purpose of the table above, the "cash component" of our non-Canadian Directors' compensation has been converted to Canadian dollars using the exchange rate as at the end of each quarter for each related quarterly instalment (1.2496 for Q1-2022, 1.2886 for Q2-2022, 1.3707 for Q3-2022 and 1.3544 for Q4-2022).

<sup>(3)</sup> The amount includes compensation for service on the Company's U.S. Advisory Board, for the period during which Mr. Dussault was a Director of the Company (i.e. until May 11, 2022). Such compensation was paid in U.S. dollars and has been converted to Canadian dollars for the purpose of the table above, using the exchange rate as at December 31, 2022 which was 1.354. It also includes compensation for service on the UK&I Board for same period, which was paid in GBP and has been converted to Canadian dollars for the purpose of the table above, using the exchange rate as at December 31, 2022, which was 1.63685.

<sup>(4)</sup> The amount includes a one-time special payment of \$121,000 to recognize the additional duties performed by Mr. Leary since the closing of the RSA Acquisition and his meaningful contributions as Chair of the Risk Committee of the UK&I Board, in all matters arising from the integration of RSA. Such matters include, but are not limited to, the determination of the composition of the UK&I Board and the review of the governance framework of our UK&I business, changes to the Company's capital structure after the RSA Acquisition and the review of our pension liabilities. Such compensation was paid in U.S. dollars and has been converted to Canadian dollars for the purpose of the table above, using the exchange rate as at December 31, 2022 which was 1.354. It also includes compensation for services on the UK&I Board which was paid in GBP and has been converted to Canadian dollars, using the exchange rate as at December 31, 2022, which was 1.63685.

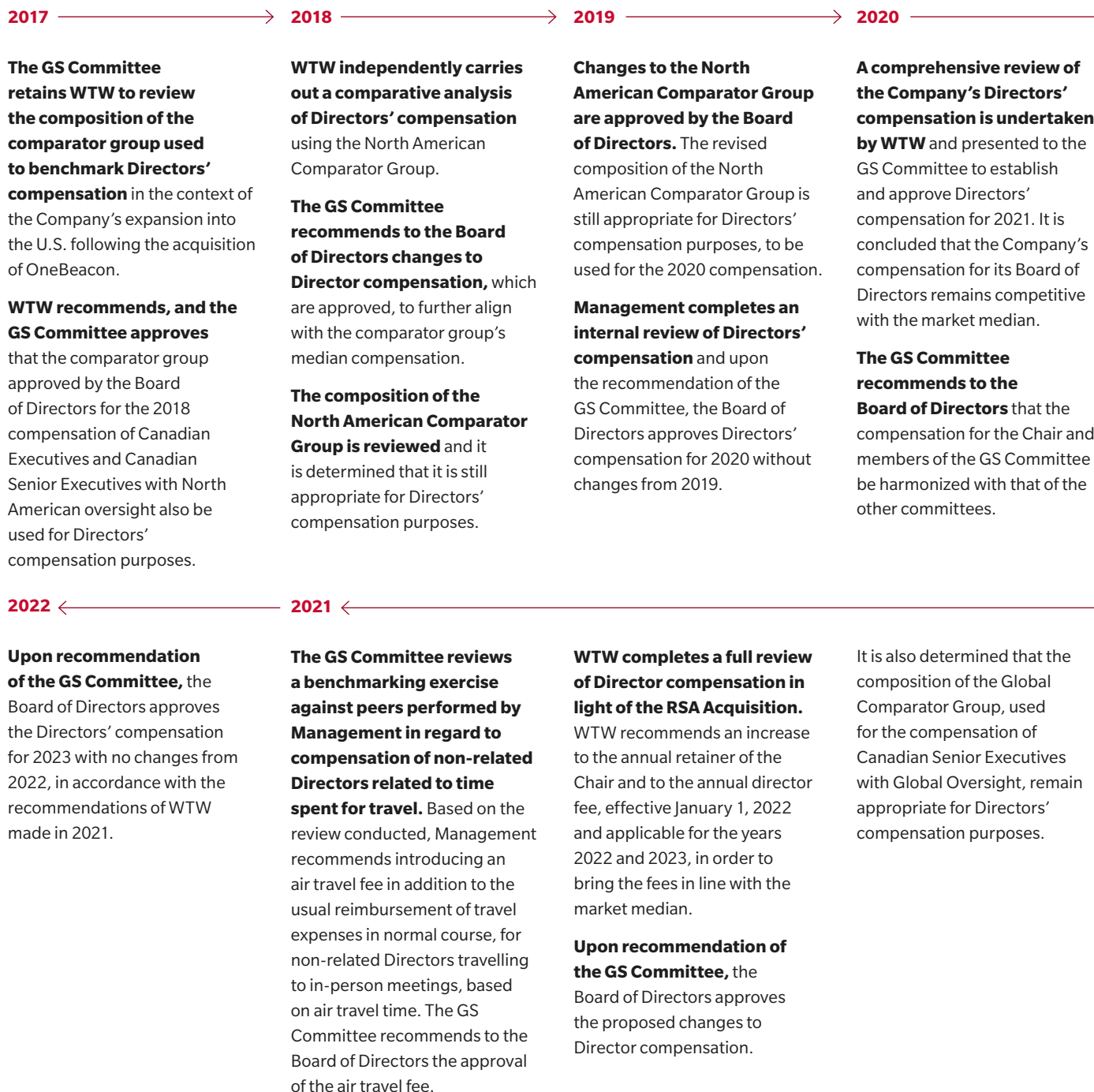
<sup>(5)</sup> The percentages above reflect the proportion of Fees in Cash, DSUs and Common Shares received by each Director of the Company as compensation for their service as a Director of the Company (excluding any special one-time payments and compensation received for service on the Company's U.S. Advisory Board or the UK&I Board, if applicable), pursuant to the election made by each Director as described on [page 36](#).



## Directors' Compensation for 2022 and 2023

The responsibility for Directors' compensation is part of the mandate of the Company's Governance and Sustainability Committee.

### Activities of the GS Committee



The fees payable in 2022 and 2023 and approved by the Board of Directors are described in the table below.

	2022	2023
<b>Annual Retainer fee</b>	<b>\$225,000:</b> – \$114,500 payable in DSUs or Common Shares – \$110,500 payable in cash, DSUs or Common Shares	<b>\$225,000:</b> – \$114,500 payable in DSUs or Common Shares – \$110,500 payable in cash, DSUs or Common Shares
Members of the GS Committee	\$13,000	\$13,000
Members of the Audit Committee	\$13,000	\$13,000
Members of the HRC Committee	\$13,000	\$13,000
Members of the Risk Committee	\$13,000	\$13,000
<b>Chair Retainer fees</b>	<b>\$420,000:</b> – \$215,000 payable in DSUs or Common Shares – \$205,000 payable in cash, DSUs or Common Shares	<b>\$420,000:</b> – \$215,000 payable in DSUs or Common Shares – \$205,000 payable in cash, DSUs or Common Shares
Chair of the Board		
Chair of the GS Committee	\$30,000	\$30,000
Chair of the Audit Committee	\$30,000	\$30,000
Chair of the HRC Committee	\$30,000	\$30,000
Chair of the Risk Committee	\$30,000	\$30,000
<b>Other fees</b>		
All reasonable travel expenses incurred to attend meetings	Included	Included
Air travel fee	4 to 6 hours travel time: \$1,500 6+ hours travel time: \$3,000	4 to 6 hours travel time: \$1,500 6+ hours travel time: \$3,000

The compensation above covers the function of a Director of the Board of Directors of Intact Financial Corporation and of its Canadian P&C insurance companies.

Part of the compensation must be paid in Common Shares or DSUs (the “equity component” of the compensation). In addition, each Director may elect to receive the remainder of their compensation (the “cash component” of the compensation), in total or in part, in cash, DSUs or Common Shares at his or her discretion.

The cash component of our non-Canadian Directors’ compensation will be paid in U.S. dollars without adjustments to reflect the exchange rate, while the equity component payment will be based on the Canadian dollar value.


The Company has created a U.S. Advisory Board to assist with strategy and provide informed guidance to the Board of Directors or Senior Management, as appropriate, with respect to the management and affairs of the Company’s operations in the United States.

Directors of the Company serving on the U.S. Advisory Board or the UK&I Board (“Subsidiary boards”) will receive additional compensation in accordance with the following tables:

	Member	Chair		Member	Committee Member	Committee Chair
U.S. Advisory Board	US\$ 50,000	US\$ 75,000	UK&I Board	GB£ 70,000	+ GB£ 5,000	+ GB£ 20,000

In 2022, no Director received compensation for service on Subsidiary boards, except for (i) Mr. Claude Dussault who was a member of the U.S. Advisory Board, a member of the UK&I Board and a member of the Governance, Conduct and Remuneration Committee of the UK&I Board, and (ii) Mr. Robert G. Leary who was a member of the UK&I Board and a member of the Audit Committee and Chair of the Risk Committee of the UK&I Board.

## Director Share Ownership Requirement Policy

 In accordance with the Company's minimum share ownership requirement policy, the minimum share ownership requirement for independent Directors has been set to Common Shares or DSUs valued at four (4) times the total annual IFC Board of Directors retainer (excluding fees received for service on a committee of the Board of Directors, on the Company's international operating subsidiaries, or on the U.S. Advisory Board) received in cash, DSUs or Common Shares. This is equivalent to more than eight (8) times the annual cash retainer paid to independent Directors in 2022. Newly appointed Directors are required to reach this level within five (5) years from their election to the Board of Directors or becoming independent and starting to receive Director compensation.

Based upon the annual Board of Directors retainer of \$225,000 in 2022, the minimum Director share ownership requirement in 2022 was \$900,000 worth of Common Shares and/or DSUs (\$1,680,000 for the Chair of the Board of Directors). The market or payout value of DSUs/ Common Shares outstanding is based on the closing share price of \$194.91 on the TSX as of December 30, 2022.

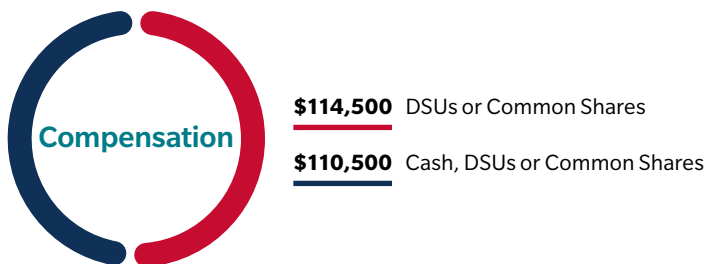
	Common Shares held (#)	DSUs held <sup>(1)</sup> (#)	Total value of all equity holdings (\$)	Conformity with Director Share Ownership Policy
Emmanuel Clarke	1,660	0	323,551	Has until July 22, 2026 to comply
Janet De Silva	5,710	13,539	3,751,822	Yes
Michael Katchen	1	532	103,887	Has until July 25, 2027 to comply
Stephani Kingsmill	594	842	279,891	Has until May 11, 2027 to comply
Jane E. Kinney	800	5,237	1,176,672	Yes
Robert G. Leary	2,645	15,815	3,598,039	Yes
Sylvie Paquette	2,000	9,161	2,175,391	Yes
Stuart J. Russell	2,752	0	536,392	Has until May 6, 2025 to comply
Indira V. Samarasekera	0	2,329	453,945	Has until May 12, 2026 to comply
Frederick Singer	2,380	20,354	4,431,084	Yes
Carolyn A. Wilkins	0	2,536	494,292	Has until February 1, 2026 to comply
William L. Young	8,200	5,608	2,691,317	Yes

<sup>(1)</sup> The number of DSUs is rounded to the nearest whole number.

## Information on DSU and Share Purchase Plan for Non-Related Directors

To ensure that Directors' compensation is aligned with shareholders' interests, Directors receive a portion of the compensation in DSUs or Common Shares, and the remainder may be received, in total or in part, in cash, DSUs or Common Shares at the Director's discretion:

Effective January 1, 2022:



A DSU is a bookkeeping entry that represents an amount owed by the Company to the Director having the same value as one (1) Common Share of the Company, but that will not be settled until such time as the Director leaves the Board of Directors. Payment of DSUs is made in cash at the time of settlement, equal in amount to the number of DSUs held by the Director multiplied by the closing Common Share price on the TSX as of the redemption date. Canadian Directors may choose the redemption date, the final redemption date being at least three (3) months after a Director terminates his/her directorship with the Company, but no later than December 15 of the first calendar year commencing after the year in which the termination date occurred. Our non-Canadian Directors are not entitled to choose a redemption date, the final redemption date being December 15 of the first calendar year commencing after the year in which the non-Canadian Director terminated his or her directorship.

DSUs provide a notional ongoing equity stake in the Company, therefore ensuring alignment of the interests of the Directors with those of the shareholders of the Company. A total of 11,469 DSUs and 2,570 Common Shares were granted to eligible Directors in 2022.

Those Directors who elect to receive all or a portion of their compensation in DSUs are credited such amounts on record in quarterly instalments, with the DSUs being granted within 15 days of the end of the quarter based on the closing Common Share price on the TSX on the fourteenth (14th) day of the month following the end of such quarter (or where such day is not a business day, the preceding business day when Common Shares are publicly traded).

In addition to their compensation in DSUs, in the event that any cash dividend is declared and paid by the Company on Common Shares, the Directors will be credited with additional DSUs. The number of such additional DSUs is calculated by dividing the total amount of dividends that would have been paid to a Director if his/her outstanding DSUs had been Common Shares on the dividend record date, by the closing Common Share price on the TSX on the dividend payment dates.

When a Director elects to receive his/her compensation in Common Shares, such Common Shares are not subject to a vesting requirement and are purchased in the market by Computershare as agent of the Company on the fifteenth (15th) day (or where such day is not a business day, the preceding business day when Common Shares are publicly traded) of the month following the end of a quarter.

Directors may not resell their Common Shares acquired through the Deferred Share Unit and Share Purchase Plan for non-related Directors for at least three (3) months after a member leaves the Board of Directors.



DSUs provide a **notional ongoing equity stake** in the Company, therefore ensuring alignment of the interests of the Directors with those of the shareholders of the Company.

## Outstanding Director Share-Based Awards

Name	Share Based Awards						Payout Value of Vested DSUs (\$)
	Number of Common Shares granted in 2022 <sup>(1)</sup> (#)	Market or Payout Value of Common Shares granted in 2022 at year end <sup>(3),(5)</sup> (\$)	Number of DSUs granted in 2022 that have not vested <sup>(2)</sup> (#)	Market or Payout Value of DSUs Granted in 2022 that have not vested <sup>(3),(6)</sup> (\$)	Number of DSUs Outstanding that have not vested <sup>(7)</sup> (#)	Market or Payout Value of DSUs Outstanding at year end that have not vested <sup>(4)</sup> (\$)	
Emmanuel Clarke	1,372	267,417	0	0	0	0	N/A
Janet De Silva	0	0	1,333	259,815	13,539	2,638,886	N/A
Claude Dussault	0	0	427	83,227	19,807	3,860,582	N/A
Michael Katchen	0	0	531	103,497	532	103,692	N/A
Stephani Kingsmill	0	0	839	163,529	842	164,114	N/A
Jane E. Kinney	0	0	608	118,505	5,237	1,020,744	N/A
Robert G. Leary	0	0	1,680	327,449	15,815	3,082,502	N/A
Sylvie Paquette	0	0	746	145,403	9,161	1,785,571	N/A
Timothy H. Penner	122	23,779	0	0	0	0	N/A
Stuart J. Russell	1,076	209,723	0	0	0	0	N/A
Indira V. Samarasekera	0	0	1,390	270,925	2,329	453,945	N/A
Frederick Singer	0	0	1,638	319,263	20,354	3,967,198	N/A
Carolyn A. Wilkins	0	0	1,333	259,815	2,536	494,292	N/A
William L. Young	0	0	944	183,995	5,608	1,093,055	N/A

Notes:

- <sup>(1)</sup> The number of Common Shares granted in 2022 is equal to the number of Common Shares available for purchase on the open market by the Company's share agent in consideration of the amount equal to the Director's elected percentage of Common Shares to be received under the Director compensation plan, multiplied by the Director's annual retainers and committee retainers.
- <sup>(2)</sup> The number of DSUs granted in 2022 was paid quarterly in four (4) equal instalments and is equal to the Director's elected percentage of DSUs to be received under the Director compensation plan, multiplied by the Director's annual retainers and committee retainers, divided by the closing Common Share price on the TSX as of the last trading day preceding the fifteenth (15<sup>th</sup>) day following the end of a quarter (or where such day is not a business day, the preceding business day when Common Shares are publicly traded), the whole in accordance with the Director compensation plan. The number of DSUs granted in 2022 is rounded to the nearest whole number.
- <sup>(3)</sup> The market or payout value of DSUs/Common Shares granted in 2022 is based on the closing Common Share price of \$194.91 on the TSX as of December 30, 2022.
- <sup>(4)</sup> The market or payout value of DSUs outstanding is based on the closing Common Share price of \$194.91 on the TSX as of December 30, 2022.
- <sup>(5)</sup> The value of the Common Shares reflects the after-tax amount due to the immediate vesting of the Common Shares.
- <sup>(6)</sup> The value reflects the before-tax amount due to the vesting period until the departure of the Director.
- <sup>(7)</sup> The number of DSUs outstanding is rounded to the nearest whole number and includes DSUs credited to the Director's account as dividend equivalents. In the event that any cash dividend was declared and paid on the Common Shares of the Company, the Director's account is credited with additional DSUs. The number of such additional DSUs is calculated by dividing the total amount of dividends that would have been paid to a Director if his/her outstanding DSUs had been Common Shares on the dividend record date, by the closing Common Share price on the TSX on the dividend payment dates.

## 4.3 Additional Information Regarding Directors

### Board of Directors and Committee Meetings in 2022

	Number of Meetings
<b>Board Meetings</b>	6
<b>Committee Meetings</b>	
Audit Committee	5
Governance and Sustainability Committee	4
Human Resources and Compensation Committee	5
Risk Management Committee	4

### Committee Composition and Director Independence

	Audit Committee	GS Committee	HRC Committee	Risk Committee	Independent Director
William L. Young					•
Charles Brindamour					
Emmanuel Clarke	•			•	•
Janet De Silva	•			•	•
Michael Katchen			•		•
Stephani Kingsmill		•	•		•
Jane E. Kinney	•	•			•
Robert G. Leary			•	•	•
Sylvie Paquette			•	•	•
Stuart J. Russell			•	•	•
Indira V. Samarasekera		•	•		•
Frederick Singer	•	•			•
Carolyn A. Wilkins	•			•	•

• Chair • Member

## Director Attendance

Directors are expected to attend all Board of Directors and committee meetings in person, although attendance by videoconference or telephone is also accepted in appropriate circumstances. Directors are also expected to prepare in advance of each meeting in order to positively contribute to discussions and decisions and to participate in the Company's education programs, both by attending sessions and suggesting topics of interest.

The table below shows the record of attendance by Director at meetings of the Board of Directors and its committees during the 12-month period ended December 31, 2022.

Director	Number and % of meetings attended						Overall attendance
	Board of Directors	Audit Committee	GS Committee	HRC Committee	Risk Committee	Committees (Total)	
William L. Young	6/6 (100%)	3/3 (100%)	2/2 (100%)	–	–	5/5 (100%)	11/11 (100%)
Charles Brindamour	6/6 (100%)	–	–	–	–	–	6/6 (100%)
Emmanuel Clarke	6/6 (100%)	5/5 (100%)	–	–	4/4 (100%)	9/9 (100%)	15/15 (100%)
Janet De Silva	6/6 (100%)	5/5 (100%)	–	–	4/4 (100%)	9/9 (100%)	15/15 (100%)
Michael Katchen	3/3 (100%)	–	–	2/2 (100%)	–	2/2 (100%)	5/5 (100%)
Stephani Kingsmill	3/3 (100%)	–	2/2 (100%)	2/2 (100%)	–	4/4 (100%)	7/7 (100%)
Jane E. Kinney	6/6 (100%)	5/5 (100%)	4/4 (100%)	–	–	9/9 (100%)	15/15 (100%)
Robert G. Leary	6/6 (100%)	–	–	5/5 (100%)	4/4 (100%)	9/9 (100%)	15/15 (100%)
Sylvie Paquette	6/6 (100%)	–	–	5/5 (100%)	4/4 (100%)	9/9 (100%)	15/15 (100%)
Stuart J. Russell	6/6 (100%)	–	–	5/5 (100%)	4/4 (100%)	9/9 (100%)	15/15 (100%)
Indira V. Samarasekera	5/6 (83%)	–	4/4 (100%)	5/5 (100%)	–	9/9 (100%)	14/15 (93%)
Frederick Singer	6/6 (100%)	5/5 (100%)	4/4 (100%)	–	–	9/9 (100%)	15/15 (100%)
Carolyn A. Wilkins	6/6 (100%)	5/5 (100%)	–	–	4/4 (100%)	9/9 (100%)	15/15 (100%)



## Supplementary information relating to Directors

To the knowledge of the Company, no Director nominee is or has been, within the last 10 years, a director, chief executive officer or chief financial officer of any company that (a) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued while the proposed Director was acting in the capacity of director, chief executive officer or chief financial officer; or (b) was subject to a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days, that was issued after the proposed Director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while the proposed Director was acting in that capacity. Moreover, to the knowledge of the Company, no proposed Director is or has been, within the last 10 years, (a) bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold his/her assets; or (b) a director or executive officer of any company that, while the proposed Director was acting in that capacity, or within a year of the proposed Director ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for the following:

- William L. Young was a director of Pharmetics (2011) Inc., a private company, until he resigned in connection with its sale in September 2017. Approximately five months after the sale, in February 2018, Pharmetics filed a Notice of Intention to Make a Proposal under the *Bankruptcy and Insolvency Act* (Canada) and was subsequently declared bankrupt as of March 16, 2018.

## Attendance of Directors whose term ended in 2022

The term of Mr. Claude Dussault and Mr. Timothy H. Penner as Directors of the Company ended on May 11, 2022. From January 1, 2022 to May 11, 2022, their attendance record as Directors was as follows:

<b>Claude Dussault</b>	
Board	3/3
<b>Timothy H. Penner</b>	
Board	3/3
Governance and Sustainability Committee	2/2
Human Resources and Compensation Committee	3/3

## 5 Corporate Governance Practices

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## Highlights of our Corporate Governance Practices

- **Separation of CEO and Chair** of the Board of Directors
- **Independent Board and Chair:** All members of the Board of Directors are independent, except the CEO
- Only **independent Directors on all committees** of the Board of Directors
- 46.2% women representation on the Board of Directors in 2022 and **policy requiring a minimum of 30% representation each of women and men on the Board of Directors**
- **Minimum director share ownership requirement** equivalent to 4x total annual retainer (and more than 8x annual cash retainer)
- **Private meetings of independent Directors** at all Board of Directors and committee meetings
- **Policy on external positions and interlocking** for Directors
- Board Renewal: Use of **skills matrix, diversity matrix and evergreen list** as part of the Board of Directors renewal process
- **Shareholder Engagement Policy** providing for Management and Board of Directors' directed shareholder engagement
- Strong Board of Directors **assessment process**
- Regular **continuing education programs** for members of the Board of Directors
- Robust **risk management process**
- **Board oversight of ESG matters** including climate change risk, human capital management, ethical conduct and integration into overall corporate strategy

## 5.1 A purpose-driven company

Following the Company's transformative acquisition of RSA, we have modified our governance and compliance structures to reflect the scope of the Company's operations and its status as an Internationally Active Insurance Group. Good governance is at the heart of our long-term sustainable growth and our shareholders and stakeholders continue to be central to the Board of Directors' decision-making process.

We believe that how we do things is just as important as what we achieve. We are a purpose-driven company based on values and a belief that insurance is about people, not things. As such, our Values are the cornerstone of our actions and are essential to achieving our purpose and strategic goals. Our leadership team leads by example and always upholds that acting in line with our Values is how we build a company whose people are its biggest strength, and whose customers are its advocates and the means to achieve our objectives.

As our Values are embedded in all of our actions, they permeate through the principles, structures and processes we adopted to enable our Board of Directors and Senior Management team to carry out their responsibilities effectively while encouraging the implementation, development and maintenance of a sound corporate governance and compliance culture throughout the Company.

This is reflected in this Statement of Corporate Governance Practices, which provides details on our principles and actions with regard to our Board of Directors structure, responsibilities and oversight, our Diversity, Equity and Inclusion approach and initiatives, our Human Capital Management strategy and oversight, and our Shareholder and Stakeholder Engagement objectives and achievements.

As a TSX-listed issuer, we ensure that our corporate governance practices meet or exceed the requirements of the TSX, the applicable rules of the Canadian Securities Administrators and OSFI's corporate governance guidelines. Furthermore, as a global company, our international subsidiaries strive to meet and exceed best practices in all jurisdictions where we operate, including in respect of RSA Insurance Group Limited, the UK's Wates Corporate Governance Principles for large private companies.



Additional information about the Company's Values can be found in the following sections:

- [Section 5.2 Code of Conduct and Ethics](#)
- [Section 5.4 Diversity, Equity and Inclusion](#)
- [Section 5.5 Human Capital Management](#)
- "Risk Management Oversight" subsection on [pages 52 and 53](#) of this Circular
- the Company's [Social Impact Report](#)

## 5.2 Code of Conduct and Ethics

- The Company adopted its code of conduct entitled “Living our Values” in 2009. It was refreshed and updated in 2020.
- By virtue of our “Living our Values” code of conduct, the Company has endorsed high ethical and compliance principles to promote Integrity, Respect, Customer-driven actions, Excellence and Generosity.
- Policies and procedures, including a whistleblower mechanism, make up a robust compliance framework.
- The GS Committee as well as the Audit Committee are notified, when required, in the event of complaints or fraudulent conduct.
- All Canadian, U.S. and UK&I subsidiaries of the Company have adopted “Living our Values.”

The Company has a complete compliance program that includes a code of conduct and business principles document entitled “Living our Values,” along with related Company policies, in addition to maintaining an Ombudsman’s Office and a Privacy Office headed by the Compliance Department.

“Living our Values” was adopted by the Board of Directors in 2009. In 2019, as part of the 10th anniversary of the Company, we refreshed our Values to ensure that they reflect the Company’s evolution and growth, and in 2020, the “Living our Values” code of conduct was fully revised and updated to ensure alignment with the refreshed Values and to provide more robust guidance for our employees. “Living our Values” was approved by the Board of Directors and is available on SEDAR ([www.sedar.com](http://www.sedar.com)) and on our website at [www.intactfc.com](http://www.intactfc.com).

We strive to create an environment where our employees live our Values every day. Our Values define our culture and provide a framework for who we are, how we behave as we strive to achieve our purpose and how we maintain our excellent reputation. The Values we live by each day are organized according to five core themes:

### Our Values

 <p><b>Integrity</b></p> <p>Be honest, open and fair Set high standards Stand up for what is right</p>	 <p><b>Respect</b></p> <p>Be kind See diversity as a strength Be inclusive and collaborate</p>	 <p><b>Customer-driven</b></p> <p>Listen to our customers Make it easy, find solutions Deliver second-to-none experiences</p>	 <p><b>Excellence</b></p> <p>Act with discipline and drive to outperform Embrace change, improve every day Celebrate success, yet remain humble</p>	 <p><b>Generosity</b></p> <p>Help others Protect the environment Make our communities more resilient</p>
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These principles shape the Company’s activities globally and apply to everyone at Intact. Indeed, with the recent adoption of “Living our Values” by our UK&I subsidiaries in 2022, the Company and all subsidiaries have now adopted our code of conduct.

The principles in “Living our Values” aim to promote a healthy and safe work environment where the highest levels of personal conduct and ethical standards are the norm and where all employees can achieve their full potential. They permeate through the Company, are embedded in our policies and processes and guide how we work and interact with customers, colleagues, shareholders, brokers, suppliers, service providers, consultants and other third parties involved or impacted by our business. “Living our Values” directs how we do business and holds us accountable for our behaviour.

## Compliance Framework



### Compliance Framework

#### Reporting

#### Compliance Risk Assessment & Management

#### Policy Management & Governance

#### Allegations, Investigations & Reporting

#### Incident Management

#### Communication & Training

#### Assurance Review & Monitoring

#### Compliance Program Management

In addition to “Living our Values”, we maintain a robust governance and compliance structure and processes that help us detect and deter wrongdoing and encourage good corporate citizenship while guiding our actions. Our compliance framework aims to safeguard the Company, its customers, reputation and assets by promoting identification, understanding and compliance with all applicable conduct and regulatory risks and requirements. The compliance framework consists of relevant policies and procedures, Compliance Risk assessments, assurance review and monitoring, incident management, effective communications and training, guidance, regulatory change management, reporting, education and other activities to promote a culture of compliance and ethical business conduct. Our compliance framework is also aligned with the expectations set out in the guidelines of applicable regulators, including OSFI’s Regulatory Compliance Management Guideline on managing regulatory compliance risk.

A number of policies have been adopted over the years and are amended from time to time to take into account developments in best practices and legal requirements. Such policies deal with, among other subjects, conflicts of interest, public disclosure, media, respect in the workplace, proper use of the Company’s assets, incident reporting, whistleblowing procedures, insider trading, privacy, and collection, protection and ethical use of data.

■ We provide a **Global Whistleblower Hotline** to report incidents or issues that might breach the “Living our Values” code of conduct, policies, laws or regulations, or any other potential misconduct. Employee reports are thoroughly investigated with oversight by the Compliance teams, and results are communicated to the Audit and GS Committees, when relevant and required. The process is confidential and anonymous and we do not tolerate retaliation against anyone who reports a suspected violation.

■ The Company has dedicated **Privacy Offices** for our North American and UK&I operations reporting ultimately to the Group Chief Compliance Officer. The Privacy Offices oversee, advise and provide training on the Company’s privacy and data protection policies, and respond or provide advice in response to privacy-related inquiries from customers and employees.

■ We maintain an **Ombudsman’s Office** responsible for conducting independent and impartial investigations of customer complaints.

■ We maintain a **financial crimes program** and have skilled resources across all regions to oversee the framework.

## Compliance Function

The Company's compliance framework is owned and managed by the Compliance function, whose role includes promoting IFC's Values by fostering a culture of ethical business conduct. The Company's full-time dedicated Compliance teams are responsible for oversight of the frameworks we have in place that seek to ensure IFC's operations and actions are in line with our Values, and that employees abide by all internal policies and procedures as well as all applicable laws, regulations and industry best practices. The Compliance teams regularly review the Company's compliance programs, practices and policies to monitor the quality of our Compliance function against any guidelines of applicable regulators and against the market. The Compliance teams report to the Group Chief Compliance Officer, who in turn reports independently to the GS Committee and acts independently from the operations of the Company.

While the Compliance teams oversee the compliance framework, compliance activities are embedded in the Company's business units and operating functions. These functions are responsible for ensuring compliance risks are identified and managed, and for implementing and monitoring compliance with policies and procedures. In North America, they are supported by their designated Business Compliance and Risk Officer (BCRO). BCROs are leaders of various business units and operating functions who are tasked with identifying and reporting compliance issues and risks in their units and supporting the compliance framework – they act as ambassadors of the Compliance teams. There are currently 49 designated BCROs acting throughout the Company in North America.

All compliance incidents meeting an established threshold are reported to the Compliance teams, which make a determination as to the most appropriate forum to deal with each issue. On a quarterly basis, the Group Chief Compliance Officer reports independently to the GS Committee, which in turn reports to the Board of Directors. The Group Chief Compliance Officer also makes an annual report on compliance to the GS Committee. The annual and quarterly reports cover compliance programs, material compliance issues, the customer complaints handling process and statistics, performance for the past year and the action plan for the next 12 to 15 months. The Audit Committee is also notified by the Group Chief Internal Auditor if a complaint relates to accounting, internal controls or audit matters or if fraudulent conduct is involved. In such instances, Corporate Audit Services or the Audit Committee determines how the case will be handled.

## Data Governance Principles and Ethical Review Processes

In Canada, we have developed a balanced and responsible approach to the use and oversight of data and algorithmic models (including AI) that protects privacy, based on a set of five principles: **Security, Helping society, Data quality, Scientific excellence and Accountability**. These principles are the basis for the Company-wide Data and Model Governance Framework which requires regular ethical assessments of data and models, establishes rules for monitoring the performance of models, and creates a clear escalation process to raise ethical questions to subject-matter experts and Senior Executives. The principles and framework ensure our Values are applied to every phase of data/data model management at Intact.

Our Ethical Data & Model Governance Steering Committee ("**Steering Committee**"), composed of Senior Executives, is assisted by our Data and Ethics working group (the "**Working Group**") to ensure the Company's operations comply with our Data Governance Principles and Data and Model Governance Framework. The committee oversees how the business leverages data and models to create and offer the best solutions for the customer, while treating customers and their data with respect, integrity and the highest degree of ethics. Material data-related issues can be escalated to the GS Committee.

Ethical assessments of models are performed periodically, structured around three pillars: **Framing (What and Why), Purpose and Consent**, and **Fairness and Unjustified Bias**. We review the models to challenge their purpose, ensure compliance with laws, regulations and our Data Governance Principles, confirm that the models do not rely on discriminatory factors, and confirm that concerns regarding social concepts such as fairness and unjustified bias are brought forward and addressed.

### Underwriting process and practices

In 2022, the scope of the ethical oversight framework was expanded to encompass our underwriting process and practices:

- Ethical assessment of current and proposed underwriting rules and practices has begun, including through a racial equity lens, and forms part of the ethical review process;
- Underwriting leadership and key staff have received training on identifying ethical questions for escalation to the Working Group and Steering Committee. Training of underwriting staff will continue through 2023.

Members of the Steering Committee and Working Group all received inclusive behaviour training, to equip them with a better understanding of the role they play in building a more inclusive workplace. We are continuously developing our learning programs and training to promote inclusive and fair practices and will continue to do so in 2023.



For more detailed information on the Company's data governance and data ethics principles, please refer to the Company's Social Impact Report, which is available on the Company's website at [www.intactfc.com](http://www.intactfc.com).

## Relationship with customers

Over the years, the Company has also developed policies and processes related to the fair treatment of customers, and in Canada, the Company adopted a policy based on our core value of being customer-driven. This policy establishes principles applicable to all Canadian employees of Intact and applies to every aspect of the customer's experience at Intact. The GS Committee oversees the policies relating to customer relations, ensuring that they are aligned with our culture and purpose. The UK&I also has a Customer Policy, which is focused on good customer outcomes and aligns to the Intact Values, including being customer-driven.

For more information regarding our relationship with our customers and our customer-driven policies, please refer to the Company's Annual Report and Social Impact Report, which are available on the Company's website at [www.intactfc.com](http://www.intactfc.com) and our Management's Discussion and Analysis for the year ended December 31, 2022 available on SEDAR at [www.sedar.com](http://www.sedar.com).

## 5.3 Board of Directors

### Structure

#### Size of the Board of Directors

- The Board of Directors was composed of 13 members in 2022. Should all proposed Director nominees be elected at the Meeting, the Board of Directors will be composed of 13 members after the Meeting. Biographical details with respect to the Director nominees can be found on [pages 21 to 33](#) of this Circular. We consider that the size of the Board of Directors and its committees in 2022 was appropriate.


### Board of Directors and Committee Mandates

- The Board of Directors is responsible for the stewardship of the Company.
- The Board of Directors and its committees have independent access to external consultants and experts.
- The mandate of the Board of Directors is reviewed and approved annually by the Board of Directors.

The Board of Directors, either directly or through its committees, explicitly assumes responsibility for the stewardship of the Company. It is responsible for the supervision of the management of the business and affairs of the Company, including its pension funds. In carrying out its duties, the Board of Directors will provide direction to Management to pursue the best interests of the Company.

The mandate of the Board of Directors (reproduced in Schedule B of this Circular), which is reviewed at least annually and approved by the Board of Directors, sets out the duties and responsibilities of the Board of Directors. Oversight of the Company's strategy, ESG matters and risk management are some of the key responsibilities of the Board of Directors, and are discussed in the following pages.

The mandates of the Board of Directors and all its committees confirm independent access of the Board of Directors and its committees to external consultants.

 The mandates of the Board of Directors and of its committees are available in the "Corporate Governance" section of the Company's website at [www.intactfc.com](http://www.intactfc.com).

### Governance approach across jurisdictions

As the Company has a global reach, in addition to the Board of Directors, we maintain a robust governance structure and framework at the regional level to ensure we always meet all regulatory and governance requirements across all jurisdictions where we operate, and that our operations and actions are in line with our Values as well as the Company's business strategies, ethical and social priorities and legal responsibilities.

The IFC Board of Directors supervises the management of the Company's business and affairs, including the business and affairs of each of the regions, as material matters reported to regional boards will ultimately be reported by Management to the IFC Board of Directors. In addition, the IFC Board of Directors is the sole board responsible for matters reserved for shareholders and it is the board of the Canadian P&C insurance companies.

The UK&I has its own corporate governance framework that aligns with the Company's overall governance framework, and ensures its operations are in compliance with regulatory requirements of European regulators and European best practices. In the U.K., all regulated entities have their own duly constituted boards reporting to the board of Royal & Sun Alliance Insurance Limited ("RSAI"), which is composed of a majority of independent directors, including the Chair. In addition, Ireland and Luxembourg operations each have their own duly constituted boards and meet all relevant regulatory and governance requirements within their jurisdictions. More information on the governance framework of our UK&I operations can be found in the *Annual Report and Accounts for 2022* of RSA Insurance Group Limited, available in the Investors section of RSA's website at [www.rsagroup.com](http://www.rsagroup.com).

Governance of U.S. operations meets all applicable regulatory and governance requirements and is generally integrated with the governance of Canadian operations as well as the U.S. Specialty business, which is managed as part of the Company's Global Specialty Operations. Each U.S. insurance company has its own board with board meetings conducted quarterly.

Finally, the Company maintains a U.S. Advisory Board whose mandate is focused on the strategic growth of the U.S. operations. The Advisory Board is composed of ten members who meet at least four times a year, and reports to the Company's Board of Directors or the appropriate Board Committee, as applicable, following each of its meetings with respect to its activities and recommendations.

## Board Oversight Responsibilities

Strategy oversight, ESG oversight, climate change risk oversight and risk management oversight are some of the Board of Directors' key responsibilities.



### Strategy Oversight

**In accordance with its mandate, the Board of Directors assumes responsibility for oversight of the overall business strategy of the Company.** This includes reviewing and providing input on the external landscape and macro societal trends, including consumers' changing expectations, digital transformation, data explosion and democratization, cybersecurity risk, natural disasters increased frequency, cost of living crisis and aging workforce, and reviewing our strategic roadmap accordingly.

**Reviews, approves and oversees the execution of the Company's strategic plan** and its long-term objectives at least annually.

**Reviews the role of Management in a strategic context** and ensures appropriate staffing, compensation and incentives are in place to realize strategic objectives.

As required, **oversees adjustments Management makes to the medium- and long-term plans** to reflect new conditions and environmental or market factors.

**Reviews and approves the Company's risk appetite statement**, resource allocation and policy recommendations, and monitors the Company's performance against its strategic plan, using appropriate metrics and milestones.

**Monitors Management's progress throughout the year via strategic sessions** held at all its regularly scheduled meetings, in addition to a dedicated meeting focused on the Company's overall strategy.



ESG factors of material value or risk to the Company are incorporated into the long-term strategic objectives of the Company, with oversight by the Board of Directors. We aim to achieve:

- **3 out of 4 customers** are our advocates
- **3 out of 4 stakeholders** recognize us as leaders in building resilient communities
- Achieve **Net Zero by 2050**, and halve our operations emissions by 2030
- Best a **best employer**
- Our employees and leaders are **representative of the communities we serve**





## ESG Oversight

IFC exists to help people, businesses and society prosper in good times and be resilient in bad times. We are guided by our Values to deliver for our customers, employees, shareholders and communities. Having a clear purpose and Values enables ESG performance to be naturally integrated into our strategy.

The Board of Directors ensures key ESG issues are overseen and reviewed. It delegates certain of its ESG oversight functions to its committees, which report back with their findings and provide recommendations. In 2022, **the GS Committee was formally delegated the responsibility to oversee the Company's ESG framework**, including the overall approach, stakeholder engagement, disclosure and communication strategies related to ESG. However, specific ESG matters still fall under other Board committees' purview, related to their respective areas of responsibilities.

### The responsibilities and accountability of the Board of Directors with respect to ESG matters are the following.

#### Oversees and monitors our ESG and social impact initiatives.

**Approves our strategic plan and corporate objectives** and their execution, and ensures ESG performance is accounted for in our strategy.

**Oversees the identification and monitoring of our principal risks, including ESG-related risks**, and ensures we have effective risk management programs and practices aligned with our risk appetite framework.

**Oversees our focus and approach on social impact.**

**Develops our general approach to corporate governance**, including principles and objectives.

**Sets the tone for our culture through the promotion of our Values** as well as the integrity, ethics, compliance and sustainability culture by ensuring that the appropriate structures and programs are in place to meet and maintain the highest rules of ethics, compliance and conduct.

**Oversees our general approach to human capital management**, including our compensation philosophy and programs, succession planning and talent development, including diversity, equity and inclusion.

### The Committees of the Board of Directors oversee the following with respect to ESG matters.

#### Audit Committee

- the integrity, fairness and completeness of our financial statements and other financial disclosure.
- the quality and integrity of our internal controls and procedures.
- our actuarial practices, ensuring pricing and segmentation practices are adapted to address our risks, including those related to climate change and trends in catastrophes and severe weather events.

#### Governance and Sustainability Committee

- **Our ESG framework, including strategy, performance, stakeholder engagement, disclosure and communication.**
- our compliance and governance framework and programs, including "Living our Values".
- the monitoring of market conduct practices, ensuring fair customer treatment.
- the monitoring of potential conflicts of interest.
- our director recruitment and nomination process, including integration of diversity, equity and inclusion considerations.
- the assessment process of the Board, its Committees and the Directors.
- our directors' compensation program, ensuring alignment with shareholders' interest.
- our shareholder engagement strategy.
- IIM's proxy voting guidelines.

#### Human Resources and Compensation Committee

- our policies and initiatives related to human capital management, including on diversity, equity and inclusion.
- our policies and initiatives related to workplace culture, including employee engagement.
- our executive compensation programs.
- our policies and programs related to succession planning, talent development and management.
- the suitability of the Executives' and Senior Executives' conduct, in line with our Values.

#### Risk Management Committee

- the assessment and monitoring of the principal risks affecting our business, including ESG-related risks.
- the development of strategies to manage these risks.
- climate risk management across the value chain.
- our reinsurance programs, ensuring they adequately limit our losses in the event of significant weather-related losses and other catastrophic events.

For further details on the ESG activities of each Board committee in 2022, please refer to the "Reports of the Committees" section beginning on [page 78](#). For information on the ESG-related accountabilities of Management, please see the Company's Social Impact Report, which is available on the Company's website at [www.intactfc.com](http://www.intactfc.com).



## Climate Change Risk Oversight

Climate change poses a significant risk not only for our Company, but also for the insurance industry in general, for our customers and for our communities. Climate change risks include the potential impact of insured losses resulting from damage to property and assets arising from climate-related natural catastrophe events, and the risk inherent in the transition to a low-carbon and more climate-resilient economy, which could lead to a decline in the valuation of assets we hold in certain sectors that are vulnerable to transition risks. The exposure to carbon-intensive sectors could also result in the perception of disregard towards a greener economy and increase reputational risk for insurers who underwrite these risks.

**The Board of Directors is ultimately responsible for overseeing the strategic direction and initiatives of the Company with regard to climate change risks.** It is supported by its Committees in this regard. It also oversees Intact Investment Management's climate change risk initiatives aiming to support the transition to a low-carbon economy, including its policy on thermal coal-related investments and its oil and gas policy.

### Risk Committee

**Oversees the assessment and monitoring of the risks related to climate change** and the development of strategies to manage these risks.

**Ensures that our reinsurance programs adequately limit our losses** in the event of significant weather-related losses and other catastrophic events.

### Risk Committee and Audit Committee

**Ensure that our segmentation and pricing practices are adequate** for all risks that we underwrite, including climate change risks and trends in catastrophes and severe weather events.

### GS Committee

Oversees **corporate disclosure** on climate risk management.



Please see the Company's Social Impact Report and Annual Report for more information on our actions to manage the potential impact of climate change and on our climate change resiliency and adaptation efforts and environmental initiatives.



## Risk Management Oversight

Under the supervision of the Board of Directors, we foster an enterprise-wide culture of compliance to improve our risk management practices and to achieve superior corporate governance standards. In 2022, we continued to monitor and review the Company's response to the COVID-19 pandemic as part of the risk management process and continued to improve policies and procedures in light of the recommendations of OSFI as set out in its Corporate Governance Guideline (issued in January 2013 and revised in September 2018). We also reviewed and monitored the risk implications of the Russia-Ukraine conflict for the Company, as well as other socio-economic developments and their impact on the Company and its customers, employees and other stakeholders.

**The Board of Directors is ultimately responsible for overseeing the identification and monitoring of the principal risks affecting the Company's business.**

**Evaluates annually the Company's risk management culture.**

**Reviews mitigation strategies** established by Management, ensuring that the Company's business strategies and allocation of capital are in line with the Company's risk appetite and tolerance.

**Oversees the Company's risk-taking activities** and risk management programs.

**Ensures the Company has effective risk management programs and practices in place** via the approval of the Company's Risk Appetite Statement Principles.

- The Board is supported by its Committees to ensure that risks are being properly measured, monitored and reported throughout the Company. The Risk Committee is dedicated to assisting the Board of Directors with its risk oversight role. See [pages 87 to 89](#) of this Circular for information on the members of the Risk Committee, its responsibilities and activities.



## Risk Appetite Statement principles

**We focus on our core competencies**

**We keep our overall risk profile in check**

**We protect against extreme events**

**We promote a strong risk management culture**

**We maintain our ability to access capital markets at reasonable costs**

The Risk Management Committee is dedicated to assisting the Board of Directors with its risk oversight role in order to build a sustainable competitive advantage. This Committee reviews at least annually the Company's Enterprise Risk Management Policy, including the corresponding risk appetite framework, and ensures that the policy is fully integrated into all business activities, strategic planning and operations of the Company, its subsidiaries and pension funds. The Board of Directors and Risk Committee are also assisted by the Enterprise Risk Committee, a committee composed of Senior Executives and chaired by the Chief Risk Officer, in overseeing the Company's risk management priorities and the effectiveness of the Company's risk management programs and policies. The Enterprise Risk Committee reports to the Risk Committee on a quarterly basis.

A list of the top and emerging risks applicable to the Company and how they are mitigated is provided in the 2022 Management's Discussion and Analysis for the year ended December 31, 2022, available on SEDAR ([www.sedar.com](http://www.sedar.com)).

### Cybersecurity Risk Oversight

Information technology and cybersecurity risks continue to be key risks for our Company, and the corporate world in general, as the volume and sophistication of cyberattacks have increased in recent years. The Company has a robust governance framework in place for the identification and mitigation of cyber-related risks, which include cybersecurity operational risk and insurance underwriting risk.

- At the **Board level**, the Risk Committee oversees our cybersecurity and cyber insurance underwriting strategy, monitors the progress of our action plans and reports back to the Board of Directors. The Risk Committee receives specific reports from Management on our cyber-related risks and strategy and on the results of the Company's cybersecurity framework maturity assessments. It also participates in cybersecurity table top exercises.
- At the Management level, the **Enterprise Risk Committee** supports and reports to the Risk Committee on the establishment and implementation of our cybersecurity and cyber insurance underwriting strategy and monitors the progress on our risk mitigation action plans. The **Cyber Security Governance Committee** also assists in the oversight of IT security-related matters.

For more information on our cyber-related risks and how we mitigate them, please see pages 83, 90 and 93 of our Management's Discussion and Analysis for the year ended December 31, 2022, available on SEDAR ([www.sedar.com](http://www.sedar.com)). Detailed information on our cybersecurity approach and framework can also be found in the Company's Social Impact Report, which is available on the Company's website at [www.intactfc.com](http://www.intactfc.com).



## Risk Management Structure

### IFC Board of Directors

**Risk Management Committee**

**Governance and Sustainability Committee**

**Human Resources and Compensation Committee**

**Audit Committee**

### Enterprise Risk Committee

The Enterprise Risk Committee assists with oversight of strategic, financial, insurance and operational risks (which include compliance risks), including the assessment, monitoring and controlling of such risks. It reports to the Risk Committee quarterly, and is supported by other enterprise-wide management committees.

#### Operating Committee

Reviews all aspects related to operations of IFC

#### Operational Investment Committee

Reviews investment strategies and performance and discusses investment risks

#### Capital Management Committee

Reviews capital allocation decisions

#### Cyber Security Governance Committee

Oversees IT security-related risks and reviews IT security-related matters

#### Disclosure Committee

Ensures all disclosures are complete, accurate and timely

#### Group Reinsurance Credit Committee

Ensures the credit risk associated with reinsurance counterparties is managed effectively

There are also several management committees with specific North American and UK&I scopes overseeing risk management in our operations across our various jurisdictions.

## Position Descriptions

- Position descriptions have been developed for the Chair of the Board of Directors, committee Chairs and the CEO.
- The positions of Chair of the Board of Directors and CEO are separate.
- The Chair is an independent member of the Board of Directors.
- Mandates have been implemented for oversight functions within the Company: Chief Risk Officer, Group Chief Compliance Officer, Group Chief Financial Officer, Group Chief Internal Auditor, Group Chief Actuarial Officer and the Canadian Appointed Actuary. See [page 56](#) for more details.

The Board of Directors' mandate and the position descriptions of the Chair of the Board of Directors and of the committee Chairs define the roles and responsibilities of the Board of Directors, its committees and their Chairs. The description of the functions of the CEO as well as principal oversight functions delineate Management's responsibilities. These mandates, the by-laws of the Company and Board of Directors' resolutions that are adopted from time to time, including signature authority limits, clearly define the limits to Management's authority.

### Chair of the Board of Directors

The Chair of the Board of Directors is responsible for the management, development and effective performance of the Board of Directors and its committees. The Chair of the Board of Directors assumes his leadership with a view to ensuring that the Board of Directors and its committees fully execute their mandate and that Directors clearly understand and respect the boundaries between the Board of Directors and its committees and Management responsibilities. The key responsibilities of the Chair of the Board of Directors include:

- managing the affairs of the Board of Directors to ensure it is organized properly, functions effectively and meets its obligations and responsibilities;
- facilitating the Board of Directors' independent functioning;
- acting as a liaison between the Board of Directors, the CEO and Management; and
- interfacing with the CEO on performance and governance issues and leading the Board of Directors in the execution of its obligations and responsibilities to the Company for the benefit of all shareholders.

The Chair of the Board of Directors may not serve as Chair of the Risk Committee.

The mandate of the Chair of the Board of Directors is available in the "Corporate Governance" section of the Company's website at [www.intactfc.com](http://www.intactfc.com).

### Chief Executive Officer

The description of the functions of the CEO has been developed with the input of the CEO and has been approved by the Board of Directors. This description of functions includes:

- leadership;
- strategic planning;
- financial results and overall performance;
- succession planning; and
- board relations.

The CEO is responsible for defining, communicating and implementing the strategic direction, goals and core Values of the Company with a view to ensuring the long-term success of the Company.


## Oversight functions

The Board of Directors has implemented mandates for oversight functions within the Company, namely:

Oversight Function	Which Committee the Oversight Function Reports to	Responsibilities
Chief Risk Officer	Risk Committee	Implement the Enterprise Risk Management Policy, which is designed to oversee the Company's risks and ensure that appropriate actions are taken to protect the Company's clients, employees, shareholders and other stakeholders. The CRO may call a meeting of the Board of Directors or the Risk Committee at any time.
Group Chief Compliance Officer	GS Committee	Support and foster the Company's Values and Code of Conduct through disciplined management and oversight of compliance risks; and Oversee the development of the compliance vision and the compliance framework of the Company aimed at identifying, managing and mitigating compliance risks.
Group Chief Financial Officer	Audit Committee	Support the Company's strategic goals through disciplined management and oversight of the financial affairs of the Company.
Group Chief Internal Auditor	Audit Committee	Provide independent oversight of the effectiveness of, and adherence to, the Company's organizational and procedural controls.
Group Chief Actuarial Officer	Audit Committee	Oversee actuarial practices Company-wide and provide leadership and direction for the Company's actuarial community; The Company's Appointed Actuaries report directly to the Group Chief Actuarial Officer; and Support the Company's strategic goals through establishing and implementing sound and appropriate reserving practices.
Canadian Appointed Actuary	Audit Committee	Value the actuarial and other policy liabilities of the Company's Canadian P&C subsidiaries and support the Company's strategic goals through establishing and implementing sound and appropriate reserving practices.

## Director Independence

- Twelve (12) of the thirteen (13) Directors in 2022 were independent.
- If all Director nominees are elected at the Meeting, twelve (12) of the thirteen (13) Directors in 2023 will be independent. The Chair of the Board of Directors is independent.
- Policy on Director Independence.
- The Audit Committee, HRC Committee (responsible for executive compensation), GS Committee (responsible for nomination and compensation of Directors) and the Risk Committee are composed exclusively of independent Directors.
- Additional disclosure regarding Directors standing for election is available on [pages 21 to 33](#) of this Circular.

 The Board of Directors has approved a Director Independence Policy establishing the standards and procedures determining the independence of Directors and proposed Directors as it relates to the Board of Directors and its committees, which are aligned with the requirements for independence set out in National Instrument 52-110 – *Audit Committees*.

A Director is independent if that Director, or an immediate family member, has no direct or indirect material relationship with the Company, its subsidiaries or its auditor, and is not a partner, officer or significant shareholder of an entity that has a material relationship with the Company.

The GS Committee determines, at least annually, whether a Director is independent, based on information provided by each Director on a conflict of interest questionnaire that lists his/her personal business and other relationships and dealings with the Company or its affiliates and our External Auditor. The conflict of interest questionnaire also requires disclosure of all entities with which a Director is involved.

If a Director's circumstances change significantly in the course of the year such that he/she may potentially have a material relationship with the Company, the Director shall promptly advise the Chair of the Board of Directors, the Chair of the GS Committee or the Corporate Secretary, who shall make the necessary inquiries and report to the GS Committee if warranted. The GS Committee may consider whether any action is required to be taken before the next annual meeting or during the year and if so, make a recommendation to the Board of Directors in this regard.

Twelve (12) of the thirteen (13) candidates proposed for election qualify as unrelated and independent, as they are independent from Management and free from any interest, function, business or other relationship that could, or could reasonably be perceived to, materially interfere with the Director's ability to act in the Company's best interest. Only the Company's CEO is considered a non-independent Director.



Additional information relating to each Director standing for election, including the name(s) of any other reporting issuer(s) on whose board the Director serves and the attendance record for each Director, can be found on [pages 21 to 33](#) of this Circular.

## Policy on External Positions and Interlocking

- No Director may simultaneously sit on more than four (4) boards of publicly listed companies, including their service as a Director of the Company.
- There are no Director Interlocks among the candidates proposed for election at the Meeting.

The Board of Directors has adopted a Policy on External Positions and Interlocking, which sets out a procedure to be followed before a Director can be appointed to a high-profile position at another organization and includes a limitation on the number of public company board directorships that can be held by Directors of the Company at one time. The policy sets out that no Director may simultaneously sit on more than four (4) boards of publicly listed companies, including their service as a Director of the Company.

It is also the Company's view that Directors should be independent of Management but also of each other. If two (2) Directors sit on more than one (1) board of directors together, this is referred to as a "Director Interlock". There are no Director Interlocks among the candidates proposed for election at the Meeting.

A Director Interlock results in a perceived risk of decisions being made in the interest of another company and suggests a degree of inter-related interests that might be detrimental to director independence. Interlocking relationships can also raise concerns when there is an imbalance of power between two Directors such as when one of the Directors is an executive on the first board and is evaluated and remunerated by his/her fellow Director. In such a situation, on the second board where he/she is expected to serve as an independent non-related director, his/her independence may be compromised.

The Chair of the Board of Directors or the Chair of the GS Committee will take into account any Director Interlocks before accepting that a Director be appointed to the board of another organization, whether a private or publicly listed company, or a not-for-profit organization. No Director Interlock will be accepted should there be a conflict of interest.

The Secretary's Office provides the GS Committee with a register of the existing interlocking relationships on an annual basis. The Board of Directors has also adopted a policy providing that no more than one-third of the members of the HRC Committee shall be sitting chief executive officer(s) of another company.



## Private Meetings of Directors

- Independent Directors met *in camera* at all meetings of the Board of Directors and also met *in camera* at all committee meetings.

In 2022, an *in camera* meeting of the independent Directors was held at all meetings of the Board of Directors.

It is also the practice of each committee of the Board of Directors to meet *in camera* immediately following each of its meetings. Topics discussed at these meetings include, but are not limited to, Board processes and contexts, succession planning, executive assessments, organizational changes and strategy. Each committee held a private meeting following each of its meetings in 2022.

## Nomination of Directors

- The **GS Committee acts as the nominating committee** of the Board of Directors.
- Term of office and Board of Directors' **tenure framework** in place.
- **A Skills Matrix as well as a Diversity Matrix have been developed** to help identify talent and Board requirements for current and potential Directors.
- **An evergreen list of Director candidates is maintained.** It is one of the tools used to enhance diversity on the Board of Directors. In 2022, specific candidates continued to be identified to fill vacancies that may occur as a result of Directors retiring.
- **Directors may sit on no more than four (4) public company boards at one time and Director Interlocks are reviewed** before recommending a new Director nominee to the shareholders.
- The Company has a Board of Directors' composition target providing that **women and men will each represent at least 30%** of the Board of Directors.
- In 2021, we adopted the **target to have at least one (1) Director who identifies as BPOC, Indigenous Peoples, persons with disabilities and/or 2SLGBTQ+ by 2025.** We will further strive to have two (2) Directors who identify as members of these communities by that time.

The GS Committee is the nominating committee of the Board of Directors. As such, this committee is responsible for the review of the nomination policy for the Board of Directors and committee members and for its implementation once it is approved by the Board of Directors. The GS Committee also reviews the nomination process as well as the orientation and education programs for new and current members.

The recruitment process includes references, verification of reputation and ethics as well as background checks (credit and criminal); external consultants are called upon from time to time to give additional support to the recruitment and verification process.

## Majority Voting for Directors

Effective August 31, 2022, the *Canada Business Corporations Act* (CBCA) was amended to introduce a statutory majority voting requirement for uncontested director elections of distributing corporations incorporated under the CBCA. Shareholders of such corporations now cast votes for or against the election of each director nominee, and director nominees are elected only if they receive more for than against votes at a shareholders' meeting (unless the corporation's articles require a higher threshold). This amendment does not apply to contested director elections, i.e. where the number of directors nominated for election at the meeting is greater than the number of seats available.

Since majority voting is now enshrined in the Company's incorporating legislation and the CBCA amendment satisfies the TSX majority voting requirements, the Board of Directors repealed its majority voting policy that was previously in place, effective August 31, 2022.

## Board of Directors' Skills Matrix

The Board of Directors prioritizes selecting Director nominees that have diverse and complementary skills and perspectives, can contribute meaningfully to the Company's purpose and can provide valuable insight to Management on key societal and industry trends impacting our business and the insurance industry in general. In its nomination process, the GS Committee uses a Skills Matrix, which sets out a broad set of skills and knowledge needed on the Board of Directors, to identify talent strengths and gaps on the Board of Directors.

The skills of each of the Director nominees are identified within the Skills Matrix below (based on self-identification).

Skills <sup>(1)</sup>	Charles Brindamour	Emmanuel Clarke	Janet De Silva	Michael Katchen	Stephani Kingsmill	Jane E. Kinney	Robert G. Leary	Sylvie Paquette	Stuart J. Russell	Indira V. Samarasekera	Frederick Singer	Carolyn A. Wilkins	William L. Young	Total Number of Directors with Skill
Financial expertise	•					•	•	•			•	•	•	7
Financial services	•	•	•	•	•	•	•		•			•		9
Governance		•	•	•	•	•		•	•	•	•	•	•	11
Government/ Public affairs			•	•						•	•	•		5
International markets	•	•	•	•	•		•				•		•	8
Investment management	•				•		•						•	4
Legal and regulatory affairs						•	•		•					3
Marketing/ Brand awareness				•	•		•				•		•	5
P&C operations	•	•						•						3
Risk management	•	•	•	•	•	•	•	•	•		•	•		11
Social and environmental responsibility	•		•	•	•	•	•		•	•	•	•		10
Strategic leadership/ Senior Executive	•	•	•	•	•	•	•	•	•	•	•	•	•	13
Talent management/ Executive compensation	•	•	•	•	•	•		•	•	•	•		•	11
Technology	•			•		•			•	•	•			6

<sup>(1)</sup> Definitions of skills:

- Financial expertise – Experience in financial accounting, corporate finance and reporting. Experience with Canadian or U.S. Generally Accepted Accounting Principles or International Financial Reporting Standards and knowledge of financial and accounting controls.
- Financial services – Oversight, advisory or operational experience in the financial services industry other than serving as a Director of the Company.
- Governance – Experience with corporate governance practices and principles at a major organization.
- Government/Public affairs – Experience in government relations and public policy.
- International markets – Experience acquired in the management of an entity with international operations or the management of an entity based outside of Canada.
- Investment management – Experience and/or oversight experience with investment and management of investment portfolios.
- Legal and regulatory affairs – Experience as a lawyer within a public or major private corporation or in private practice or experience with complex legal and regulatory regimes.
- Marketing/Brand awareness – Experience as a senior executive in a major retail customer products, services or distribution company or experience with brand development and awareness as a senior executive of a public or major private corporation.
- P&C operations – Operational experience in the P&C insurance industry.
- Risk management – Experience with internal risk controls and risk assessment, management and mitigation.
- Social and environmental responsibility – Experience or knowledge in environmental or sustainable practices including climate change adaptation initiatives, or in social responsibility practices and impacts on various stakeholders at a major organization.
- Strategic leadership/Senior Executive – Experience in strategic management, planning and development acquired as a senior officer of a public or major private corporation.
- Talent management/Executive compensation – Experience and knowledge of human resource practices and principles, with an emphasis on compensation, benefit plans, pension plans, executive remuneration, talent management and succession planning.
- Technology – Knowledge or experience relating to information technologies, emerging technologies and their integration including artificial intelligence, digital technologies, machine learning and data analysis, and other security and technology needs of a major organization (e.g. cybersecurity).

## Director Term Limits and Other Mechanisms of Board of Directors Renewal

The Board of Directors has determined that a mandatory retirement age is not appropriate for the Company; however, the GS Committee has established a planned retirement schedule for all Directors as part of the succession planning process for the Board of Directors.

Furthermore, it believes that the current average tenure of its members constitutes an adequate balance between established Directors with experience with the Company, and recent Directors with new perspectives. In 2015, the Board of Directors implemented a tenure and term of office framework, which states the maximum period of service for new Directors (excluding the CEO) as 12 years, to be served in successive one (1) year terms, though this term remains open to extension. However, term limits do not provide Directors with a guarantee of tenure. All Director nominees currently comply with the maximum period of service of 12 years.

The CEO shall serve as a Director so long as he or she holds the office of CEO. Thereafter, he or she may be retained as a Director in accordance with the framework. Where a former CEO of the Company is elected to serve as a Director, other than in his or her capacity as CEO, tenure will be counted as of the first annual meeting where such former CEO is so elected.

The GS Committee is responsible for reviewing the composition of the Board of Directors on an annual basis, proposing new Directors and administering the tenure limit and term of office framework. The GS Committee will exercise discretion judiciously to ensure that the Board of Directors remains composed of independent Directors possessing the required skills and in-depth knowledge of the Company.

### Average Tenure



\* Should all proposed Director nominees be elected.

The Board of Directors may extend such term where it determines that it is in the best interests of the Company to do so. Among the factors that may influence the decision to recommend the nomination of a Director with a tenure over 12 years are the institutional experience and key competencies of said Director. The ultimate objective is ensuring its fundamental responsibility of providing stewardship and good governance for the Company. We believe that our high governance standards, policies and procedures effectively maintain the independence of longer-tenured Directors.

Rotation of membership on the Board of Directors' committees is discretionary and may be used by the Board of Directors to ensure continuity. Directors are elected to a committee for a term of one (1) year. At the end of each year, the GS Committee shall review the lists of Board of Directors' committee members and make recommendations on their composition to the Board of Directors.

As part of the nomination process, the GS Committee uses the Board of Directors' Skills Matrix to identify the best Director candidates in light of the Company's strategic objectives and key societal and industry trends impacting its business.

The GS Committee also uses the Company's Diversity Policy, which indicates how various dimensions of diversity must be considered in the recruitment process for Directors. The dimensions of diversity addressed in the Diversity Policy include the representation of women, BPOC, Indigenous Peoples and persons with disabilities, and diversity of background, skills and experiences. Among others, instructions are given to any external firm retained to support Director recruitment efforts to integrate diversity as a key selection criterion, and the evergreen list of potential candidates for the Board of Directors is maintained with a view to reflecting different dimensions of diversity. For further details, please refer to the "Diversity, Equity and Inclusion" section starting on [page 65](#).

<sup>1</sup> The CEO is also a Director of the Company since 2008.

Finally, the GS Committee annually assesses the independence of Directors (including candidates) by monitoring conflicts of interest and relationships with the Company and its affiliates, and screens candidates to ensure they have the following attributes:

- integrity;
- judgment;
- financial literacy;
- excellent communication skills;
- ability to act as a team player; and
- adherence to the Values of the Company.

Furthermore, the Chair of the Board of Directors and the Chair of the GS Committee will take into account any Director Interlock before accepting that a candidate be proposed for nomination.

In 2022, specific candidates continued to be identified to fill potential vacancies or vacancies that may occur as a result of Directors retiring. The GS Committee reviewed its evergreen list for 2022 in consultation with the Board of Directors, identifying potential candidates with diverse experience and expertise to deepen the Board of Directors' and each of the committees' bench strength, and discussed how to use this tool as a means to enhance diversity, in all its forms, on the Board of Directors. Furthermore, every year, members of the GS Committee meet with a number of candidates in an effort to identify individuals with the skills and competencies that are likely to be needed to fill vacancies in upcoming years.

- These Board renewal mechanisms, along with the formal Board of Directors and committee assessment process described on [pages 62 and 63](#), aim to ensure ongoing Board of Directors' renewal and to assemble a diverse Board of Directors, putting forward an effective balance between fresh perspectives and experienced Directors.

## Advance Notice By-law

In 2017, shareholders adopted By-Law No. 2 of the Company, a By-law relating to Advance Notice of Nominations of Directors of the Company, which establishes a framework for advance notice of nominations of persons for election to the Board of Directors. By-Law No. 2 sets deadlines for a certain number of days before a shareholders' meeting for a shareholder to notify the Company of his, her or its intention to nominate one or more Directors, and lists the information that must be included with the notice for such nominations to be valid. By-Law No. 2 applies at an annual meeting of shareholders or a special meeting of shareholders that was called to elect Directors (whether or not also called for other purposes), may be waived by the Board and does not interfere with the ability of shareholders to request a meeting or nominate Directors by way of shareholder proposal in accordance with the *Canada Business Corporations Act*. The purpose of this requirement is to treat all shareholders fairly by ensuring that all shareholders, including those participating in a meeting by proxy rather than in person, receive adequate notice of Director nominations and sufficient information with respect to all Director nominees in connection with any annual or special meeting of shareholders. The Board of Directors believes that this requirement establishes a transparent and fair process for all shareholders to follow if they intend to nominate Directors, and for all shareholders to have sufficient time and information before they vote for the election of Directors. By-Law No. 2 is also intended to facilitate an orderly and efficient meeting process. By-Law No. 2 is available on our website at [www.intactfc.com](http://www.intactfc.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## Board of Directors and Board Member Assessment

- The evaluation of the Board of Directors is overseen by the GS Committee with assistance from the Secretary's Office of the Company and with the support of an external consultant, as required.
- The GS Committee is responsible for ensuring assessment of the Board of Directors, committees, the Chair of the Board of Directors and each of the committees and individual Directors.
- All Directors complete a self-assessment questionnaire, and starting with the 2022 Board assessment process, all Directors are also formally assessed by their peers.
- Committee Chairs also complete a self-assessment questionnaire and are assessed by their committee members. Committee Chairs meet with the Chair of the Board of Directors to discuss their performance.
- The Chair of the Board of Directors also completes a self-assessment questionnaire and is assessed by all Directors. The Chair of the GS Committee meets with the Chair of the Board of Directors to discuss his/her assessment.
- The Chair of the Board of Directors meets each member of the Board of Directors and obtains his or her comments in relation to peer review.

Who Undergoes Assessment?	Who Performs the Assessment?	The Board of Directors and Directors' assessment process is overseen by the GS Committee and the Secretary's Office of the Company, with the support of an external consultant, as required.
The Directors	The Directors themselves (self-assessment) All Directors (Peer evaluation)	
Board of Directors	All Directors	
Chair of the Board of Directors	The Chair of the Board himself/herself (self-assessment) All Directors	
Committees	All members of the committee in question	
Chairs of the Committees	The Chairs of the committees themselves (self-assessment) All members of the committee in question	

Since the Company became publicly listed, the Board of Directors has been proceeding with its self-assessment. The GS Committee monitors the Board of Directors' self-assessment process and reports to the Board of Directors.

Questionnaires and processes adapted to the particular context of the Company have been put into place for (i) the Board and Chair of the Board assessment, (ii) committees and Chairs of committees assessment, (iii) individual Board members' self-assessment and (iv) since 2022, peer evaluation of each individual Director. Both the process and the questionnaires are reviewed annually to make sure they continue to be adapted to our particular context and to take into account new trends and best practices. The questionnaires are handled on a confidential basis; only the Chair of the Board (and Chair of the GS Committee for the Chair of the Board evaluation) and the Secretary's Office (except the peer evaluation portion) have access to individual answers.

## Assessment Process



**Before year-end, the self-assessment and peer assessment questionnaires are sent and completed by all Directors (including the Chair of the Board of Directors and the committee Chairs).**

The Secretary's Office reviews the responses (except peer evaluation) and presents its analysis and action plan (if needed) to the Chair of the Board and committee Chairs for review and approval.

Peer evaluation is handled by the Chair of the Board on a strictly confidential basis. Management is not involved in this process.

Analysis and action plan (if needed) are presented to the GS Committee and Board of Directors.

As part of the assessment process, each Director also meets with the Chair of the Board of Directors to discuss his or her contribution to the Board of Directors and its committees, any views on the performance of his or her peers, as well as his or her own competencies and skills and what he or she is expected to bring to the Board of Directors. The Directors will also give their comments and feedback on the assessment and peer review process and the Chair of the Board of Directors will follow up with each Director in this regard.

Committee Chairs also meet with the Chair of the Board of Directors to discuss his or her performance, and the Chair of the Board of Directors meets with the Chair of the GS Committee to discuss his or her performance.



## Orientation and Continuing Education of our Directors

- Directors are provided with regular briefings regarding industry developments, new legislation as well as industry, economic, political and ESG trends.
- Information sessions for specific subjects are also held.

- Directors have the opportunity to meet one-on-one with key executives.
- The Board of Directors holds a dedicated meeting on the corporate strategy of the Company.

The GS Committee is responsible for ensuring that all Directors:

- fully understand the nature of their roles, responsibilities and duties as Directors; and
- are knowledgeable about the nature and operation of the Company's business.

Directors receive individual orientation that reflects their knowledge, skills, experience and education. Each new Director receives a copy of onboarding materials, which includes information on the corporate and organizational structures of the Company and its subsidiaries, a description of the Board of Directors and its committees, their mandates and composition, the corporate governance and compliance programs of the Company, "Living our Values", and relevant policies of the organization. Each Director also receives periodic updates of these materials. Programs for new Directors also include one-on-one meetings with executives holding key functions at the Company.

Strategic sessions are held at all the regularly scheduled meetings of the Board of Directors to reposition the Company in its various markets and to discuss its long-term objectives and overall business strategy. In addition, all Directors receive verbal reports by the Committee Chairs on the proceedings of each Committee of the Board of Directors. Furthermore, special subjects are also covered with a view to keeping the Directors informed and up to date in relation to industry developments, new legislation that affects operations and distribution, major files and projects, as well as economic, political and ESG trends.

- In 2022, the Board of Directors held strategic sessions at all its regularly scheduled meetings to discuss positioning of the Company, its long-term objectives and overall business strategy.

Each year, the Board of Directors holds dedicated strategic planning meetings or discussions at which an overview of the industry is provided to the Directors together with an assessment of risks, opportunities and market trends. Threats and opportunities as well as strengths and weaknesses are presented and discussed with the Directors, who are expected to give their points of view and provide input on the assessment of such risks. Senior Management is also invited to present its vision of the main aspects affecting the Company's sectors of activity.

On an ongoing basis, the Company:

- ensures that Directors have timely access to materials and information required to properly discharge their responsibilities;
- maintains a secure Directors' portal for prompt dissemination of information and provides published information, industry publications, articles of interest and other relevant materials to Directors between meetings; and
- canvasses Directors for suggestions as to topics and issues for which they would like to receive a presentation, briefing or report.

Finally, site visits and training sessions are organized from time to time. Training sessions cover various aspects related to the Company and its subsidiaries, including subjects such as industry information, interpretation of financial information, marketing programs, distribution programs, corporate governance, risk management and other pertinent subjects.

Some of the presentations and publications provided to the Board of Directors and its committees in 2022 are set out below:

Educational Event	Presenter	Date	Attendees
Financial market and economic reviews	IIM's operational investment team	February 7 May 9 July 22 November 7	All Risk Committee members
Strategic sessions and developments updates	Management	February 8 May 10 July 25, 26 November 8	All Directors
Corporate governance best practices and industry benchmarking report, including a presentation on current issues and emerging trends in relation to the 2022 Annual Meeting of Shareholders of the Company	Legal and Compliance Team	February 7	All GS Committee members
Presentation on E&S Disclosure practices and the results of a benchmarking exercise	Legal and ESG Team	February 7	All GS Committee members
Presentation on investment emission disclosure	Management	November 7	All GS Committee members
Development updates on IFRS 9 and IFRS 17	Management	February 4 May 9 July 25 November 4	All Audit Committee members
Training on IT infrastructure	Management	June 30	10 of 12 Directors
Presentation on shareholder activism in the financial sector	External advisors	July 21	All GS Committee members
Presentation on the reinsurance market and the results of the catastrophe reinsurance benchmarking exercise undertaken by Management	Management	July 22	All Risk Committee members

## 5.4 Diversity, Equity and Inclusion

- **We are a company that values diversity and strives to build an inclusive, accessible workplace.**  
We believe in inclusion and embracing all dimensions of diversity because it makes us stronger and drives innovation and creativity. **This is embedded in our strategic objective “our employees and leaders are representative of the communities we serve”.**
- **The Diversity Policy adopted by the Company** indicates how diversity is considered in the Director and Executive Officer recruitment process and sets targets for the representation of women, Black and People of Colour (BPOC), Indigenous Peoples, persons with disabilities and/or 2SLGBTQ+ on the Board of Directors and Executive Officer positions. See [pages 66 to 68](#) of this Circular for more information.
- The Company was an early signatory to the **30% Club Canada**, which called on Canadian boards and CEOs to pledge to accelerate the advancement of women in business by increasing the representation of women on boards and in executive positions to at least 30% by 2022.
- In 2022, the Company met its diversity targets on the Board of Directors with a women representation of 46.2% and one Director identifying as BPOC. **Should all Director nominees be elected at the Meeting, the women and BPOC representation on the Board will remain the same.**
- The Company currently meets its gender diversity target in Executive Officer positions, **with 31.3% women occupying these positions.** The Company also aims to have at least 10% representation of Executive Officers identifying as BPOC, Indigenous Peoples, persons with disabilities and/or 2SLGBTQ+ by 2025.
- **We promote diversity, equity and inclusion** through various initiatives including our employee networks, DEI ambassadors, inclusive behaviour training for managers, Living our Values Inclusively program for all employees, inclusive language guides, knowledge boosts and celebration of Diversity and Inclusion events throughout the year.
- In 2020, the Company became a founding signatory of the **BlackNorth Initiative**, which calls on Canadian organizations to engage their corporate governance framework to foster inclusiveness of Black leaders, reinforcing our commitment to addressing anti-Black systemic racism.
- Women in Governance, a not-for-profit organization supporting women in their leadership development, career advancement and access to Board seats, awarded IFC the **Certification of Parity at the platinum level for 2022** in recognition of our actions and commitment to advancing the cause of women in business.

At Intact, our value of Respect is founded on seeing diversity as a strength, being inclusive and fostering collaboration. We also strive to live by our value of Integrity, which encourages us to be open, honest and stand up for what is right. We are committed to having a fair, inclusive and accessible workplace where everyone feels valued, respected and heard. This guides our work, and is fundamental to how we interact with each other, our customers and society. It is also essential to our success as an organization and is directly embedded in our strategic objective that our employees and leaders be representative of the communities we serve.

The Board of Directors and Management monitor the implementation of the Company’s strategy and initiatives on diversity, equity and inclusion on an ongoing basis and make recommendations for improvements throughout the organization.

Diversity information and data are presented in this section for members of the Board and for the following management groups:

### Executive Officers

is defined under securities legislation and includes individuals who are the most senior members of Management occupying key Group responsibilities and oversight functions across the organization. As of December 31, 2022, the Executive Officers were the individuals listed on [pages 23 and 24](#) of the AIF.

### Vice President and Higher

All Executives and Senior Executives are included in the Vice President and Higher positions. All Executive Officers are included in this group.

### Managerial Positions

All managerial level positions, including team and unit leaders, and higher positions within the Company. All members of the Vice President and Higher group are included in this group.



The Company's Diversity Policy highlights and sets targets for various dimensions of diversity, namely gender, Black and People of Colour, Indigenous Peoples, persons with disabilities and 2SLGBTQ+ representation on the Board of Directors and Executive Officer positions. The policy also addresses diversity of skills, experience and expertise. The diversity dimensions provided for in the Diversity Policy are considered in the selection process of new Directors and Executive Officers, to ensure the broader exchange of perspectives brought by diversity of thought, experience and background.

## Board of Directors Diversity

The Board of Directors applies the diversity dimensions through its Nomination Policy and Diversity Policy, striving to recruit candidates who are highly qualified based on their experience, functional expertise and personal skills to ensure good stewardship and governance of the Company.

The recruitment and selection process for new Directors incorporates diversity considerations through the following measures:

- In addition to its own search, the Board of Directors, from time to time, engages qualified independent external advisors to conduct searches for new Directors. These independent advisors are instructed to present a slate of potential Directors integrating different dimensions of diversity as a key selection criterion (including gender diversity and the representation of BPOC, Indigenous Peoples, persons with disabilities and 2SLGBTQ+);
- The Director Diversity Matrix and Skills Matrix are used to identify candidates whose profile complements and integrates effectively with the Board of Directors; and
- The Company also maintains an evergreen list of prospective Directors that includes candidates who reflect the various dimensions of diversity.

The GS Committee retains oversight responsibility for monitoring the implementation and effectiveness of the Diversity Policy with respect to the Board of Directors and recommending changes to the policy to the Board of Directors.

## Diversity Targets – Board of Directors

■ **The Company has adopted a Board of Directors' composition target providing that women and men will each represent at least 30% of the Board of Directors,** while continuing to ensure optimal representation of skills and expertise to help serve the Company's and our stakeholders' best interests.

■ The Company also adopted a target to have **at least one Director identify as BPOC, Indigenous Peoples, persons with disabilities and/or 2SLGBTQ+ by 2025.** We will further strive to have two Directors identifying as members of these communities by that time.

The Company's board diversity targets are described in the table below:

	Gender Diversity		Persons with disabilities, Indigenous Peoples, BPOC and/or members of the 2SLGBTQ+ community	
	Target	Timeframe	Target	Timeframe
Board of Directors	30%	Met	At least 1 Director and will strive to have 2 Directors	Met with 1 director (strive for 2 by 2025)

Through its long-standing actions, the Board of Directors has proven that it remains committed to gender diversity and will continue to strive for gender parity. In 2022, our Board of Directors was composed of thirteen (13) Directors (after Michael Katchen's appointment on July 25, 2022). Six (6) of the thirteen (13) Directors were women, representing 46.2% of the total, with two Chairs of Board committees (out of four) being women. In 2023, if all Director nominees are elected, women will continue to represent 46.2% of its membership.

In 2022, one Director identified as BPOC and was the Chair of a Board Committee. No Directors identified as Indigenous Peoples, a member of the 2SLGBTQ+ community or as a person with disabilities. In 2023, if all Director nominees are elected, one (1) of the thirteen (13) Board members will identify as BPOC, representing 7.7% of the members of the Board. No Director would, however, identify as being an Indigenous person, a person with disabilities or a member of the 2SLGBTQ+ community.

Following the Meeting, assuming that all the nominees for Directors are elected, the Board of Directors will therefore be comprised as follows:

	Women		Persons with disabilities		Indigenous Peoples		BPOC		Total	Number of individuals who are members of more than one designated group
	#	%	#	%	#	%	#	%		
Board of Directors	6	46.2	0	0	0	0	1	7.7	13	1

## 2023 Board of Directors Diversity Matrix

The various diversity dimensions represented on our Board of Directors are reflected in the Diversity Matrix below:

	Age				Tenure				Gender		Residency	Persons with disabilities, Indigenous Peoples, BPOC and/or members of the 2SLGBTQ+ community
	<45	45-60	61-70	>70	0-4	5-8	9-12	>12	Men	Women		
Charles Brindamour		•						•	•		CAN	
Emmanuel Clarke		•			•				•		Switzerland	
Janet De Silva			•				•			•	CAN	
Michael Katchen	•				•				•		CAN	
Stephani Kingsmill		•			•					•	CAN	
Jane E. Kinney			•		•					•	CAN	
Robert G. Leary			•			•			•		USA	
Sylvie Paquette			•			•				•	CAN	
Stuart J. Russell			•		•				•		USA	
Indira V. Samarasekera			•		•					•	CAN	BPOC
Frederick Singer		•					•		•		USA	
Carolyn A. Wilkins		•			•					•	CAN	
William L. Young			•			•			•		USA	

## Executive Officer Diversity

Following the transformative RSA Acquisition, the composition of our Executive Officer group, as defined under securities regulations, was reviewed. Our definition of Executive Officer is aligned with the definition provided in the securities regulations, which targets, among other positions, individuals who are performing policy-making functions in respect of the Company.

As part of the Diversity Policy, the Company aims to have at least 30% women representation at all times in Executive Officer positions and at least 10% representation of members identifying as BPOC, Indigenous Peoples, persons with disabilities and/or 2SLGBTQ+ by 2025. The GS Committee and HRC Committee retain oversight responsibilities for monitoring the implementation and effectiveness of the Diversity Policy with respect to Executive Officers and recommending changes to the Board of Directors.

	Gender Diversity		Persons with disabilities, Indigenous Peoples, BPOC and/or members of the 2SLGBTQ+ community	
	Target	Timeframe	Target	Timeframe
Executive Officers	30%	Met	10%	2025

As of March 31, 2023, IFC had a total of sixteen (16) Executive Officer positions and of those five (5) or 31.3% were held by women. Executive Officer positions do not currently include individuals identifying as BPOC, Indigenous Peoples or persons with disabilities, however, in the context of succession planning, these dimensions of diversity will be taken into account pursuant to our Diversity Policy.

	Women		Persons with disabilities		Indigenous Peoples		BPOC		Total	Number of individuals who are members of more than one designated group
	#	%	#	%	#	%	#	%		
Executive Officers	5	31.3	0	0	0	0	0	0	16	0

## Vice President and Higher Positions and Managerial Positions Diversity

The Company has developed and implemented strategic initiatives, programs and talent practices with the intent to develop a strong leadership talent pipeline which will promote various dimensions of diversity and will support the continued advancement of women and Black and People of Colour representation at senior levels of Management over time.

### Gender Diversity

As at December 31, 2022, Vice President and Higher positions within the organization, excluding UK&I, represented 224 positions; 93 of these or 41.5% were held by women. When considering all Managerial Positions, women held 52.5% of such positions within the Company. The proportion of women in Managerial Positions, as well as in Vice President and Higher positions, has kept pace as the Company has grown in recent years, as shown in the table below:

Year	Proportion of women in Vice President and Higher positions	Proportion of women in Managerial Positions
2022	41.5% <sup>(1)</sup>	52.5%
2021	39.9% <sup>(1)</sup>	52.2%
2020	37.2% <sup>(2)</sup>	53.7% <sup>(2)</sup>
2019	35.9% <sup>(3)</sup>	54.1% <sup>(3)</sup>
2018	37.2%	54.2%

<sup>(1)</sup> Proportion of women in Vice President and Higher positions in 2022 and 2021 excludes UK&I due to the recent acquisition and the unavailability of data.

<sup>(2)</sup> Proportion of women in Vice President and Higher positions and Managerial Positions in 2020 excludes Intact Public Entities and On Side employees.

<sup>(3)</sup> Proportion of women in Vice President and Higher positions and Managerial Positions in 2019 excludes On Side and Intact Public Entities employees due to the recent acquisitions and the unavailability of data.

To promote the advancement of women in leadership roles, the Company maintains a list identifying key women talent across the organization as part of its succession planning. The identified women are partnered with a mentor and provided with a development plan to proactively ready them to be included in succession planning and obtain the required skills and expertise to be nominated to Vice President and Higher positions.

### Racial and Ethnic Diversity

Through our Count Me In! campaign, we were able again to collect self-identification diversity data from our employees in 2022, including regarding the representation of individuals identifying as BPOC at our Vice President and Higher positions and Managerial Positions.



28.4%\*

of employees identified as Black and People of Colour in 2022

\* Excluding UK&I, BrokerLink, Intact Public Entities and On Side

Year	Proportion of BPOC in Vice President and Higher positions	Proportion of BPOC in Managerial Positions
2022	12.9% <sup>(1)</sup>	20.4% <sup>(2)</sup>
2021	12.4% <sup>(1)</sup>	18.5% <sup>(2)</sup>
2020	11.7% <sup>(3)</sup>	15.1% <sup>(3)</sup>

<sup>(1)</sup> Excluding UK&I.

<sup>(2)</sup> Excluding UK&I, On Side, Intact Public Entities and BrokerLink.

<sup>(3)</sup> Excluding Intact Public Entities and On Side employees.

Our Count Me In! campaign helps us better understand the diversity of our business and identify opportunities for improvement. It enables us to perform meaningful analysis and implement targeted and focused initiatives to drive an inclusive culture. For more information on our initiatives supporting and promoting racial and ethnic diversity across our operations, please see our Social Impact Report, which is available on the Company's website at [www.intactfc.com](http://www.intactfc.com).

## Workplace Diversity and Inclusion

At Intact, it is vital we all feel valued, respected and heard in our workplace. We believe that embracing the many dimensions of diversity makes us stronger and promotes collaboration. It helps us make better decisions, enriches our working environment, and drives innovation and creativity. When each individual at Intact can bring their true self to work and feel a sense of belonging, we grow as individuals and as an organization.

In 2022, our Diversity, Equity and Inclusion Plan focused on enhancing diversity data reporting capabilities and governance to deliver on our data-driven strategy and better support the advancement of a diverse workforce. To achieve this, we established long-term diversity objectives and engaged in consultations with senior business leaders to broaden accountability beyond the Diversity, Equity and Inclusion Council.

The Company's commitment to diversity is demonstrated in several ways, including through the work of its Diversity, Equity and Inclusion Council and strategic initiatives such as:

- inclusive behaviours training;
- employee networks, such as the Womomentum Women's Network, the Intact Pride Network, the WoMIN & Allies Employee Network and the new Indigenous Peoples' Network;
- employee consultations (Inclusion Circles) allowing employees to share their workspace experiences with Senior Management;
- inclusive language tools such as our Trans Inclusion Guide, our Mental Health Inclusive Language Guide and our Indigenous Peoples' Inclusive Language Guide;
- our Inclusion Calendar recognizing important days of remembrance, celebration or inclusion throughout the year, including Black History Month, International Women's Day, International Day Against Homophobia, Biphobia and Transphobia, Pride Month, National Indigenous Peoples Day, National Day for Truth & Reconciliation, International Day of Persons with Disabilities and our Diversity & Inclusion Week.

### Equitable Pay

At Intact, our Values are integrated into employee performance reviews and our leadership success factors. The Company is committed to having a fair and inclusive workplace and as such, it has a solid framework in place and standardized processes built to provide objective and unbiased support at all stages of the compensation process.

We monitor closely compensation outcomes to assess pay equity and in 2022, after adjusting for level, location and role, we observed throughout our Canadian insurance operations that:

- Women globally earned equivalent dollar for dollar earned by men; and
- Black and People of Colour earned on average 99 cents for every dollar earned by employees who do not identify as BPOC.



For more information on the Company's Diversity, Equity and Inclusion initiatives, please refer to the Company's Social Impact Report, which is available on the Company's website at [www.intactfc.com](http://www.intactfc.com).

## 5.5 Human Capital Management

- **Investing in our people is a key component of the Company's strategy** and central to its success.
- The Company prioritizes creating an **inspiring and inclusive workplace** where employees feel engaged, valued, respected and heard and where they can contribute their best every day.
- **The Board of Directors oversees the Company's human capital management strategy** and is assisted in this regard by its HRC Committee and GS Committee.
- **Human capital management risks are integrated into the Company's overall risk management program** and relate to, among others, retention of key employees, design of executive compensation programs and succession planning.
- In 2022, the Company started to encourage employees to come back to its offices and launched **its Hybrid work model**.
- **A comprehensive onboarding plan was implemented to welcome RSA employees.** Teams have now fully integrated with success and RSA employees indicate they feel better guided by Intact's purpose – RSA engagement scores increased from 2021 to 2022.
- Please see Section 5.4 Diversity, Equity and Inclusion and the Company's Social Impact Report, which is available on the Company's website at [www.intactfc.com](http://www.intactfc.com), for a discussion on diversity and inclusion at the Company.

Human capital management and talent development are crucial to our success and constitute key drivers that enable us to deliver value to our stakeholders. We are committed to providing a workplace where employees are surrounded by a strong, diverse and inclusive team that will inspire them, and are given the opportunity to do their best and flourish.



Approximately

**29,000**

employees worldwide  
on December 31, 2022



**74%<sup>1</sup>**

of team leader, manager  
and director positions were  
filled internally in 2022



**52.5%**

of Managerial Positions  
were held by women on  
December 31, 2022



**28.4%<sup>2</sup>**

of employees identified as  
Black and People of Colour  
in 2022

<sup>1</sup> Excluding Intact Public Entities and On Side

<sup>2</sup> Excluding UK&I, BrokerLink, Intact Public Entities and On Side



## Strategy

We want our employees to be engaged. As such, investing in our people is a key component of our strategy and central to the achievement of our purpose and objectives. Our people strategy is built on the following three pillars:

**We seek to have a highly engaged workforce.**

**By being a best employer.**

**By being a destination for top talent and experts.**

**By enabling our people to thrive.**

We achieve our strategy by committing to delivering on our Employee Promise every day, by partnering with leading universities to gain access to top talent and expanding our talent pool through acquisitions, and by continuously developing our employees with the work of our dedicated learning and development team.

Our lead measure of success on our people strategy is our employee engagement scores. With our 2022 engagement scores of 77% in Canada and 79% in the U.S., the Company has once again been recognized as a Best Employer in Canada, the U.S. and North America by Kincentric. Across our UK&I operations, we rolled out our employee engagement survey for the first time in 2022, to establish a performance baseline.

**KINCENTRIC>**  
**Best Employer**  
CANADA 2022

**KINCENTRIC>**  
**Best Employer**  
UNITED STATES 2022



For more information on our **Employee Promise** and on employee engagement across our operations in Canada, the U.S. and UK&I, please see our Social Impact Report, which is available on the Company's website at [www.intactfc.com](http://www.intactfc.com).



## Oversight

**The Board of Directors has strategic oversight of the Company's human capital management. This entails the responsibility to oversee the following matters.**

**Organizational effectiveness**

**Workplace culture**

**Succession planning and compensation**

**The alignment of compensation with the Company's philosophy and programs consistent with its overall business objectives.**

In 2022, it also included overseeing the Company's return to the office plan and the launch of its new hybrid work model. The HRC Committee reviewed and approved the measures taken by Management to ensure the safety and well-being of the Company's workforce and the tools deployed to keep employees connected and allow them to work collaboratively and efficiently, no matter where they are working.

The Board of Directors is assisted by the HRC Committee in its oversight of the Company's human capital management. The HRC Committee is responsible for oversight of the Company's human resources policies and programs, ensuring that they foster the "Living our Values" code of conduct within the organization and meet goals with respect to diversity, equity, inclusion and fairness.

## Values and workplace culture

The Company prioritizes creating a workplace where employees feel engaged and valued, respected and heard, and where they can contribute their best every day. Our Values are at the heart of everything we do and form the basis of our corporate culture: Integrity, Respect, Generosity, Excellence and a focus on the Customer.

### Our Values



**Integrity**



**Respect**



**Customer-driven**



**Excellence**



**Generosity**

We believe that a diverse and inclusive workforce fosters broader exchanges of perspectives, enriches discussions at every level of the Company, and welcomes different approaches, ideas and styles.

We place significant importance on the highest ethical standards of personal conduct and to this end, the Company carries out regular compliance training among employees, emphasizing workplace policies including the “Living our Values” code of conduct and the Respect in the Workplace Policy. Managers are also provided with mandatory training on inclusive leadership and employees must complete our Living our Values Inclusively program, which aims to equip them with an inclusive behaviour model anchored in our values of Respect and Integrity. Employees are encouraged to report any misconduct or breaches of “Living our Values”, including via the confidential Whistleblower Hotline.

As part of creating an environment where employees can contribute their best every day, the Company’s operations and compliance teams are tasked with ensuring full compliance with applicable workplace health and safety regulations, and these are monitored on an ongoing basis.

As a recognized Best Employer in both Canada and the U.S., the Company prides itself on excellent relations with its employees. The Company’s offices are all governed by applicable labour standards across all jurisdictions where we operate. Similarly, the Company abides by all pay equity and human rights legislation at all levels of government.

The cumulative result of the Company’s policies and processes is to reinforce a culture of ethical conduct and excellence that is aligned with and promotes the Company’s strategic objectives. This extends to the Company’s executive compensation program designed to include incentives to increase employee engagement and drive an improved customer experience. Our executive compensation program also takes into consideration principles of risk management to moderate potential behaviour that may incur excessive risk.

### Living our Values and reinforcing our culture in a hybrid work model

- Maintaining our culture and living our Values every day is a priority for the Company, whether employees are working remotely or at the office. We have promoted and reinforced our culture throughout our organization while the majority of our employees worked from home due to the COVID-19 pandemic, and we continue to do so with our new hybrid work model. Senior Management provides our workforce with regular written and video messages regarding a variety of topics, including updates on the Company’s corporate strategy, objectives and performance results, on the working and learning tools and health and well-being resources made available to employees, and on the Company’s environmental and social initiatives. These messages are framed within our Values and reinforce the importance for employees to live the Company’s Values each day.



For further information regarding the Company’s Values and workplace culture, please refer to the Company’s Social Impact Report, which is available on the Company’s website at [www.intactfc.com](http://www.intactfc.com).

## Risks

Human capital management risks are integrated into the Company's overall risk management program and relate to, among others, retention of our key employees, design of our executive compensation programs and succession planning.

### Retention of key employees

The loss of the services of our key employees, or the inability to identify, attract, hire and retain highly qualified personnel in the future, could adversely affect the quality and profitability of our business operations. In order to manage this risk, we are dedicated to creating a workplace where employees feel highly engaged and valued, and as such, the Company maintains and reviews each year its Engagement Action Plan, which outlines the actions taken by the Company to apply feedback received from its employees.

- In 2022, the HRC Committee and Risk Committee closely monitored the Company's talent management and loss of key employee risk with the ongoing global talent shortage and higher than normal turnover rates. They reviewed specific actions taken by Management to increase talent acquisition and retention.

### Design of our executive compensation programs

With respect to the Company's compensation programs, they are founded on principles and processes that support the management of risk, ensuring Management's plans and activities are prudent and focused on generating shareholder value within an effective risk control environment. Such programs are designed to align the interests of the Company's shareholders and Management, and to provide for incentive awards that are appropriately calibrated with risk outcomes. For additional information on the Company's executive compensation programs, please see the Statement on Executive Compensation starting on [page 94](#) of this Circular.

### Succession Planning

With respect to succession, the Company has a comprehensive succession planning program at various levels within the organization to ensure we are developing talent for future roles and that we are prepared for unplanned departures and retirements. While there is succession planning in each of our core regions, we firmly believe in a global talent model allowing the organization to truly benefit from its best talent whether they are in Canada, the U.S. or Europe.

The Board of Directors is responsible for ensuring that the Company is supported globally and in each region by an appropriate organizational structure, including a CEO and other Senior Executives who have complementary skills and expertise to ensure the sound management of the business and affairs of the Company and its long-term profitability.

To play its role, the Board of Directors is supported in this function by the HRC Committee, which makes recommendations on the appointment, assessment, compensation and termination (if applicable) of the CEO and other Senior Executives, sees to the assessment of Senior Executives and presents an annual Senior Executives succession plan. The HRC Committee advises Management in relation to its succession planning, including the appointment, development and monitoring of Senior Executives.

- The Company aims to leverage succession planning as a tool to make progress on the diversity of the Management team.

To mitigate the risk that the Company's operations suffer from a talent gap, succession planning is reviewed at least annually and implemented continuously to facilitate talent renewal and smooth leadership transitions. Furthermore, the Company aims to leverage succession planning as a tool to make progress on the diversity of the Management team. Each year, the Chief Human Resources Officer reviews succession plans and prepares a succession plan report covering a number of critical positions, including Senior Executives and the CEO. For each critical position, a pool of "Ready Now", "Ready in 1-3 Years" and "Ready in 3-5 Years" candidates is identified. Where a talent gap or risk is observed, a development plan is established to identify and develop potential successors. Individualized development plans may include lateral movements to diversify exposure, leadership training, mentoring and other special programs.



The annual succession plan report is presented to the HRC Committee for review, analysis, discussion and reporting to the Board of Directors. Committee members and Directors actively participate in ongoing discussions with Management relating to succession planning year-round. The members of the HRC Committee and the entire Board of Directors ensure they are exposed to, have direct interactions with, and get to know, the candidates identified in the succession plans for Senior Executives positions and can appreciate their skills and expertise first-hand, including through presentations by such individuals at regular meetings, through presentations made at annual training sessions and by meeting and discussions held with the candidates. The members of the HRC Committee firmly believe that they, and the Board of Directors in its entirety, have a comprehensive and deep knowledge of succession planning and identified successors within the organization.

For additional information on the Company's overall risk management strategy and its top and emerging risks, please refer to sections 30 to 35 – Risk Management of our Management's Discussion and Analysis for the year ended December 31, 2022, available on SEDAR ([www.sedar.com](http://www.sedar.com)).

## Benefits and Career Development

In order to mitigate our people risk, the Company aims to have a highly engaged workforce. To this end, we offer a competitive benefits package to our full-time employees with medical and dental, retirement and life insurance benefits. Our benefits package provides resources and tools to ensure the well-being of our employees and their families. The Company also offers a range of programs and initiatives focused on personal and professional development.

 For further information regarding the benefits and career development programs offered to our employees, please refer to the Company's Social Impact Report, which is available on the Company's website at [www.intactfc.com](http://www.intactfc.com).

## 5.6 Shareholder Engagement

- To facilitate engagement, the Board of Directors has adopted a **Shareholder Engagement Policy** outlining how the Board of Directors and Management may communicate with shareholders, and vice versa.
- The Company also has a strong **shareholder engagement plan** setting forth the engagement actions that Management and the Board undertake with existing and prospective shareholders, as well as the objectives of such engagement.
- In 2022, **the Chair met with shareholders representing approximately 34% of the ownership of the Company.**

The Board of Directors and Management welcome interaction with shareholders and believe that it is important to have regular and constructive engagement with them in order to allow and encourage open dialogue and exchange of ideas and perspectives.

We communicate with our shareholders and other stakeholders through various channels, including our Annual Report, Management Proxy Circular, Annual Information Form, quarterly reports, Social Impact Report, news releases, website, presentations at investor and industry conferences and other meetings. In addition, our quarterly earnings calls, where we discuss our recent performance and provide an update on our strategy, are open to all. Shareholders also have the opportunity to participate and engage with members of the Board and Senior Management at our Annual Meeting of Shareholders.

Other examples of engagement practices at the Company include meetings with institutional investors and organizations representing a group of shareholders, an annual say-on-pay vote in relation to executive compensation, creating conduits for communication with smaller shareholders on an ongoing basis, as well as addressing any shareholder proposals submitted before our Annual Meeting of Shareholders.

In 2022, we maintained a robust calendar of virtual and in-person events to ensure we remain engaged with our shareholders. The following is a summary of shareholder engagement actions that Senior Management and the Board of Directors undertake with existing and prospective shareholders pursuant to the Company's shareholder engagement plan:

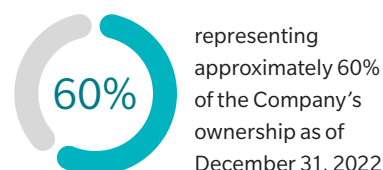
Type of engagement	Frequency	Who engages	Who we engage with, what we talk about
Conference calls	Quarterly	Senior Management	With the investment community to review the Company's most recently released financial and operating results.
Virtual Fireside Chat	Quarterly	Senior Management (CEO)	Candid discussions between the CEO and analysts and investors about our most recently released financial results.
Investor Day	As needed, typically every 18 to 24 months	Senior Management, Chair of the Board (and other Directors as may be identified by the Chair)	Presentations to the investment community about long-term strategy and outlook, with select analysts and institutional investors invited to ask questions. Select Directors are present to discuss governance and strategy.
Annual Meeting of Shareholders (including annual say-on-pay vote on executive compensation)	Annually	Board of Directors and Senior Management	Holders of Common Shares are invited to attend the Annual Meeting of Shareholders and are entitled to vote on and discuss the business of the meeting with the Board and Senior Management.
News releases	As required	Senior Management	Released to the media throughout the year to disclose selected issues.
Non-deal investor road shows	Continuous	Senior Management	Individual meetings with key shareholders to discuss the Company's business and operations, answer questions and obtain feedback.
Conferences	Continuous	Senior Management	Speak at industry conferences and bank-sponsored conferences about our business and key industry topics.
Meetings, calls and discussions	As required	Investor Relations	With investment advisors and non-institutional shareholders to address any shareholder-related concerns and provide public information.
Direct Board and shareholder engagement	Continuous	Chair of the Board (and other Directors as may be identified by the Chair)	Meetings with the Company's significant shareholders to address pre-identified subject matter(s), and any additional issues raised by the shareholder.
Ad hoc meetings as requested	Annually	Chair of the Board and Chair of HRC, Chair of GS or Chair of Risk Committee and Senior Management	With shareholder advocacy groups and proxy advisory firms to discuss any issues and concerns or to obtain feedback on a particular subject matter.
Brendan Woods Survey	Quarterly	External Consultant	Investor intelligence report – anonymized survey of existing and prospective shareholders in order to obtain feedback on their perception of our strategic performance (absolute and relative to our peers).

In 2022, we continued our direct engagement efforts between the Chair, our Directors and shareholders. The Chair met with shareholders representing approximately 34% of the ownership of the Company, and Management and investor relations met with shareholders representing approximately 60% of the ownership of the Company, as well as potential investors. The details of our engagement activities held in 2022 and the various topics discussed are provided below.

## 2022 Engagement

### Who did we engage with in 2022

- Institutional investors
- Retail shareholders
- Pension funds



### How did we engage in 2022

- Quarterly Earnings Calls
- Annual Meeting of Shareholders (including say-on-pay vote on executive compensation)
- Webcasts
- Individual Investor Meetings
- Fireside Chats
- Investor Conferences
- Investor Day

### Who did the engagement in 2022

- Independent Directors
- Chair of the Board of Directors
- CEO
- Senior Management
- Other Employees

### Various topics were discussed among shareholders, Management and Directors in 2022, including:

- **RSA integration** and additional value creation from the RSA Acquisition;
- **IFC strategic priorities;**
- **CEO succession planning;**
- **Auto insurance business**, including the rate environment, inflation pressures, changes in driving behaviour, telematics and the impact of autonomous vehicles/ride sharing;
- **M&A landscape** across Canada and the U.S. and the Company's ability to execute on potential opportunities;
- **Capital deployment priorities;**
- **Board member recruitment** and the expertise and skillset sought for Board of Directors composition;
- **Executive compensation and targets;**
- **Diversity & inclusion;**
- **Climate change** risk and adaptation, including path to net zero and carbon neutrality;
- **ESG integration** in our investments;
- **Macroeconomic environment**, including impact of inflationary pressures and rise of interest rates;
- **Employee engagement**, recruitment and retention in a tight labour market.

On September 22, 2022, we held our first **Investor Day** since the RSA Acquisition, where participants attended in person or virtually via a live webcast. A panel of Board members, composed of the Chair of the Board and the Chair of the HRC Committee, discussed the Company's global strategy and governance framework. Presentations were also made by Senior Executives on various topics, including the Company's strategic roadmap and performance across its jurisdictions. The Investor Day presentation, webcast replay and transcript are available on our website at [www.intactfc.com](http://www.intactfc.com).

In 2023, we intend to continue our Board shareholder engagement through meetings between our significant shareholders, the Chair of the Board of Directors and other Directors. We believe such outreach is of high value to our shareholders and to the Board of Directors and will continue to demonstrate a high level of transparency.

The Board of Directors believes the procedures described in our Shareholder Engagement Policy and shareholder engagement plan reflect current best practices in shareholder engagement. However, the Board of Directors recognizes that shareholder engagement is an evolving practice in Canada and globally and will review the Company's Shareholder Engagement Policy and shareholder engagement plan periodically to ensure that they are effective in achieving their objectives.

We encourage our shareholders to reach out to our Directors and Management to discuss matters of significance. A copy of the Shareholder Engagement Policy and further information on our shareholder engagement events are available on our website at [www.intactfc.com](http://www.intactfc.com).

## 5.7 Other Stakeholder Engagement

In line with our purpose to help people, businesses and society prosper in good times and be resilient in bad times, our other stakeholders include customers, governments, employees and communities.



For further information on how we engage with our employees, customers and communities, please refer to the Company's Social Impact Report, which is available on the Company's website at [www.intactfc.com](http://www.intactfc.com), Management's Discussion and Analysis for the year ended December 31, 2022, and section 5.5 Human Capital Management of this Circular.

## 5.8 Additional Information

The Board of Directors has approved the above Statement of Corporate Governance Practices on the recommendation of its GS Committee.

Additional information about our governance programs may be found on SEDAR ([www.sedar.com](http://www.sedar.com)), where our Code of Conduct document is filed, and on our website at [www.intactfc.com](http://www.intactfc.com).



To communicate directly with the Board of Directors and Management, please see the contact details in the "How to contact us" section on [page 150](#) of this Circular.

## 6 Reports of the Committees

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The main responsibility of the Board of Directors is to oversee the management of the business and affairs of the Company, including its pension funds. In carrying out its duties and responsibilities and discharging its obligations, the Board will, directly and through its committees, provide direction to Management to pursue the best interests of the Company.

More specifically, the mandate of the Board of Directors is to review and approve strategic planning and the corporate objectives of the Company, including by reviewing and approving all major strategy and policy recommendations and monitoring the Company's performance against the strategic plan, to supervise Senior Management including oversight functions, compensation, succession planning and talent development, to identify risks and assess their impact on the business and affairs of the Company, to oversee and monitor the Company's corporate social responsibility initiatives and the integration of ESG principles throughout the Company, including with respect to diversity and climate change, and to ensure that adequate controls exist in relation to ethics, compliance and corporate governance, including monitoring of conflicts of interest.

Furthermore, the Board of Directors reviews and approves the Company's significant disclosure documents including financial statements, oversees and monitors the integrity and effectiveness of the Company's internal controls and management information systems, and ensures that the Company adopts appropriate policies and procedures that provide for timely and accurate disclosure to regulators, shareholders, employees, analysts and the public, that meet all applicable legal and regulatory requirements and that facilitate feedback from stakeholders and shareholder engagement.

To this end, the Board of Directors delegates certain of its functions to committees and these committees are responsible for reviewing the above aspects more closely and reporting their findings to the Board of Directors. The Board of Directors, the committees and their members may retain independent consultants to advise them. In order to fulfill their mandates, the Board of Directors and the committees may request access to Company records or meetings with any employees of the Company at any time.

The reports of the committees of the Board of Directors are reproduced hereunder.

## 6.1 Governance and Sustainability Committee

- Composed exclusively of independent Directors
- Met four (4) times in 2022
- Preparatory sessions before the GS Committee meetings were held by the Chair of the GS Committee with the Group Chief Legal Officer
- *In camera* sessions held at all meetings of the GS Committee



Frederick  
Singer



Stephani  
Kingsmill



Jane E.  
Kinney



Indira V.  
Samarasekera

### Role of the Governance and Sustainability Committee

The GS Committee (previously named Compliance Review and Corporate Governance Committee) is responsible for ensuring a high standard of ethics, compliance and governance in the Company and its subsidiaries, including its pension funds, and that the Company meets its legal requirements and engages in best practices as determined by the Board of Directors. Since 2022, the GS Committee is formally responsible for overseeing the Company's ESG framework, although specific ESG matters still fall under other Board committees' purview, per their respective areas of responsibility. More information on the role and responsibilities of the GS Committee and other Board committees with respect to ESG oversight can be found on [page 50](#) of this Circular.

The GS Committee oversees (i) the governance framework of the Company, its subsidiaries and its pension plans, (ii) the Company's Board and committee composition, (iii) the assessment of the Company's Board and committee effectiveness, (iv) the compliance framework, (v) the compliance programs of the Company and its subsidiaries, which include related party transactions, market conduct programs and policies, as well as the implementation of corporate compliance initiatives; and (vi) the Company's ESG framework, performance thereunder and related reporting.

As part of its mandate, the GS Committee reviews the Company's policy on appointment of the Board of Directors and committee members and identifies and recommends candidates for nomination to the Board of Directors. The GS Committee is also responsible for the implementation and review of the nomination process, as well as the implementation and review of orientation and education programs for Board of Directors members. It is responsible for assessing the Board of Directors, its members and its committees on an ongoing basis.

The GS Committee reviews the Company's practices and approach in relation to Directors' compensation and makes its recommendation to the Board of Directors. It assists the Company in defining Director compensation that attracts and retains key members, with a view of enhancing the Company's ability to determine its plans and strategies for the attainment of its corporate objectives.

The full mandate of the GS Committee is available in the Corporate Governance section of the Company's website ([www.intactfc.com](http://www.intactfc.com)).

## Composition of the Governance and Sustainability Committee

The GS Committee is composed of a minimum of three (3) Directors and is currently composed of four (4) Directors, all of whom are independent, and none of whom is a member of Management nor an employee of the Company or its P&C insurance subsidiaries.

The GS Committee met four (4) times in 2022. Members of Management participated in meetings at the invitation of the Chair of the GS Committee. Detailed materials were distributed in advance of each meeting, containing information which allowed the GS Committee to make informed decisions. *In camera* sessions among the GS Committee members, and with the Group Chief Legal Officer and Group Chief Compliance Officer respectively, were held at every meeting. Mr. Timothy H. Penner, who was a member of the GS Committee until May 2022, did not attend the July and November 2022 meetings. Mr. William L. Young, who was also a member of the GS Committee until May 2022, attended the July and November 2022 meetings in his capacity of Chair of the Board, and not as a member of the GS Committee. Ms. Stephani Kingsmill became a member of the GS Committee as of May 2022 and attended all meetings of the GS Committee in 2022 after her nomination. All other GS Committee members attended all of the 2022 meetings.

## Board of Directors Appointment and Assessment Processes

The GS Committee is the nominating committee for Board member appointment and is responsible for the Board succession process in general. As such, the Committee is responsible for the implementation and review of the nomination process, as well as the implementation and review of orientation and education programs for Board members. The GS Committee recommends candidates for appointment or election as members of the Board, as members of committees of the Board, as Chair of the Board or as Chair of the Board's committees.

In 2022, the GS Committee reviewed the assessment process of Directors, which includes self-assessments by each Director on their performance as well as assessments of the Board of Directors and its Chair, the committee(s) they sit on and their Chair, as well as a private meeting with the Chair of the Board of Directors to discuss such assessments. The GS Committee also approved the addition of a formal peer evaluation process for all Directors, starting for the 2022 assessment.

The above assessment processes of the Board of Directors were managed by the Secretary's Office of the Company for 2022, except for the peer evaluation process, which was managed in strict confidentiality by the Chair of the Board.

The Chair of the Board of Directors privately discusses peer review with each member of the Board of Directors, and the Chair of the GS Committee discusses the performance of the Chair of the Board of Directors with each member of the Board of Directors and then reviews such performance with the Chair of the Board of Directors.

Every year, the Secretary's Office reviews the results of the assessment of the Board of Directors, its committees and its members, including the Chair of the Board (except for the results of peer evaluation), and proposes an action plan in view of continued improvement and enhancement of the functions and efficiency of the Board of Directors and its committees. Such action plan is reviewed and approved by the GS Committee and the Board of Directors. Please refer to the Board of Directors and Board Member Assessment section on [pages 62 and 63](#) for additional information.

## Corporate Governance

The GS Committee approves the system of governance for the entire organization and any material amendments thereof.

The GS Committee monitors ongoing developments regarding corporate governance and identifies potential conflicts of interest among Directors. The GS Committee also reviews governance topics that it identifies or which are referred at the request of the Board of Directors, other committees of the Board of Directors or the Company, including policies in relation to Director compensation.



The GS Committee is the prime committee overseeing the Company's ESG framework, including the overall strategy, stakeholder engagement, disclosure and communication strategies related to ESG. The GS Committee monitors ongoing developments regarding ESG requirements and best practices.

## Pension Plan Governance Framework

The GS Committee approves the framework of the compliance programs of the Company's pension plans and any material amendments thereof.

## Compliance and Market Conduct Programs

The GS Committee reviews the Company's various compliance programs, which include corporate and operational compliance, public company compliance, investment compliance, legislative compliance, the Ombudsman's Office, the Privacy Office, market conduct standards, as well as key compliance risks, incidents and compliance projects, and the Company's relationships with clients, brokerages and regulatory authorities.

## Related Party Transactions and Conflicts of Interest

The GS Committee reviews the related party transactions during the year in accordance with applicable legislation to ensure that when any of the Company's Canadian P&C insurance companies engage in related party transactions, the terms and conditions of such transactions are at fair market value or at least as favourable as prevailing market terms and conditions, or fair value if fair market value references do not exist. It also reviews the Company's procedures to ascertain their effectiveness in complying with insurance legislation and their effectiveness in identifying related party transactions that may have a material effect on the stability and solvency of the Company and its Canadian P&C insurance subsidiaries. In accordance with the Company's Related Party Transactions Policy, the GS Committee also approves certain related party transactions except those that the GS Committee must recommend to the Board of Directors for approval by law. The GS Committee also reviews, approves and/or recommends to the Board for approval, where required, related party transactions which involve the Company's non-regulated entities.

## Compliance Function

The GS Committee reviews and recommends to the Board of Directors for approval the appointment or dismissal, if deemed appropriate, of the Group CCO. The GS Committee periodically approves the mandate of the compliance function and obtains assurances that this function has the necessary budget, independence and resources to meet its mandate, and reports to the Board of Directors any issue in relation thereto before the Board of Directors approves the budget and plans of the Company.

## Independent Engagement of External Consultants

The GS Committee has procedures for the engagement of external consultants. While the Board of Directors, its committees and individual members of the Board of Directors are authorized to engage consultants at the expense of the Company, the GS Committee is responsible for approving such engagements in certain circumstances that could occur, such as where there may be conflicts of interest or disagreements in relation to the hiring of consultants. The Board of Directors, the Audit Committee and the HRC Committee independently retained external consultants in 2022 occasionally or on a recurring basis for certain recurring subjects. Please see the reports of the Audit Committee, the GS Committee and the HRC Committee below, in this regard.



## Activities of the Governance and Sustainability Committee in 2022

In 2022, the GS Committee, in accordance with its mandate, accomplished the following key functions:

### Board of Directors Appointment, Assessment and Compensation

- Reviewed and approved the Board of Directors and committee assessment process for 2022, including the addition of a formal peer evaluation for all Directors;
- Conducted the assessments of the Board of Directors, Board committees, the Chair of the Board of Directors and committee Chairs and individual members;
- Reviewed possible candidates to the Board of Directors;
- Recommended to the Board of Directors the nomination of new Director nominees;
- Reviewed the Chief Internal Auditor's report on Directors and Officers questionnaires on conflicts of interest and identified no concerns in this regard;
- Recommended to the Board of Directors the appointment of the members and Chairs of the Board and committees;
- Recommended to the Board of Directors for approval a change to the composition of the Governance and Sustainability Committee of Belair Insurance Company Inc.;
- Reviewed and recommended for approval by the Board of Directors the Directors' compensation for 2023;
- Reviewed and recommended for approval by the Board of Directors the 2023 compensation for Directors sitting on the boards of the Company's international operating subsidiaries: the U.S. Advisory Board, the IIM US board, the RSA UK&I board, the Split Rock Insurance Ltd. board, and the IB Reinsurance Inc. Chair;

### Corporate Governance

- Reviewed best practices and benchmarking and assessed policies in light of the Company's public company status;
- Reviewed the Company's 2022 shareholder engagement plan, including a greater emphasis on climate change and diversity and inclusion;
- Reviewed and discussed feedback received from shareholders during shareholder engagement activities;
- Reviewed a report on shareholder activism in the financial sector;
- Reviewed the proxy voting reports of proxy advisory firms ISS and Glass Lewis;
- Reviewed and recommended for approval by the Board of Directors the rescindment of the Company's Majority Voting Policy in light of recent amendments to the *Canada Business Corporations Act*;
- Reviewed and recommended for approval by the Board of Directors amendments to the Corporate Disclosure and Insider Trading Policy;
- Reviewed a shareholder proposal received by the Company in anticipation of its 2022 annual meeting of shareholders and the engagement actions undertaken by Management to settle the proposal;
- Obtained assurances from the Group Chief Legal Officer that this function has sufficient resources and budget to meet its mandate, and reviewed and discussed his 2022 objectives;

### Compliance, Regulation and Related Party Transactions

- Reviewed the quarterly reports on related party transactions between the Intact companies, including inter-company reinsurance agreements, inter-company charges, inter-company service agreements and transactions;
- Reviewed the quarterly regulatory update reports;
- Reviewed the quarterly litigation reports;
- Reviewed the quarterly compliance reports indicating the key ongoing compliance risks, key incidents, key main issues, regulatory matters, and key compliance projects and objectives for 2022;
- Reviewed the quarterly fraud reports;
- Reviewed the Capital Management Policy Quarterly Compliance Report;
- Reviewed and approved the annual report to OSFI and to the AMF on the activities of the GS Committee;
- Reviewed OSFI's annual supervisory letter and related action items;
- Reviewed a report on the Company's Sanctions Program;
- Reviewed the Annual Report on Political Donations;
- Reviewed the Annual Report on material Outsourcing;
- Reviewed and recommended for approval by the Board of Directors the composition of the Disclosure Committee, Enterprise Risk Committee and Pension Committee (management-level committees);
- Reviewed the Group Chief Compliance Officer Opinion relating to controls for managing regulatory compliance for the Company's Canadian business;
- Reviewed the assessment of compliance resources;
- Reviewed and recommended to the Board for approval of the proposed changes to the mandates of the Group Chief Compliance Officer and the CEO, Canada (Market Conduct Officer);
- Obtained assurances from the Group CCO that this function has sufficient resources and budget to meet its mandate and act independently from the operations, and reviewed and discussed her 2022 objectives;
- Reviewed and recommended changes to the Related Party Transactions Policy to the Board for approval;
- Reviewed and recommended to the Board for approval proposed increases to the aggregate exposure threshold related to distributors financing and equity participation;

## ESG

- Recommended to the Board of Directors for approval the amendments to the Board and Senior Management Diversity Policy;
- Discussed the implementation of a benchmarking process assessing the Company's ESG practices and disclosure priorities for 2022;
- Reviewed the status of the Company's ESG oversight, management structure, and the GS Committee's current mandate and the proposed general approach to ESG;
- Reviewed the Company's overall approach for its 2022 ESG disclosure;
- Reviewed the proposed approach for the Company's investment emission disclosure;
- Reviewed the results of the Company's internal assessment on racial equity;

## Strategies and Mandate of the GS Committee

- Reviewed the GS Committee assessment report;
- Reviewed and recommended for approval by the Board of Directors the GS Committee report and Statement of Corporate Governance Practices sections of the 2022 Management Proxy Circular;
- Reviewed and recommended for approval by the Board of Directors modifications to the mandate of the GS Committee.

The GS Committee is satisfied that it has appropriately fulfilled its mandate in 2022.

(Signed) Governance and Sustainability Committee

Frederick Singer (Chair)  
Stephani Kingsmill  
Jane E. Kinney  
Indira Samarasekera

## 6.2 Audit Committee

- Composed exclusively of independent Directors
- Met five (5) times in 2022
- Preparatory sessions before the Audit Committee meetings were held by the Chair of the Audit Committee with the Group CFO, the Group Chief Internal Auditor, the Group Chief Actuarial Officer and other functions in the Company
- *In camera* sessions held at all meetings of the Audit Committee



Jane E. Kinney



Emmanuel Clarke



Janet De Silva



Frederick Singer



Carolyn A. Wilkins

### Role of the Audit Committee

The Audit Committee assists the Board of Directors in its oversight of (i) the integrity, fairness and completeness of the Company's financial statements and financial information; (ii) the accounting and financial reporting process; (iii) the qualifications, performance and independence of the external auditors; (iv) the performance of the internal finance function and audit function; (v) the quality and integrity of internal controls; and (vi) actuarial practices of the Company.

In performing these functions, the Audit Committee assists the Board of Directors in ESG matters by monitoring and implementing governance practices related to accounting and financial disclosure and reporting. More information on the role and responsibilities of the Audit Committee with respect to ESG oversight can be found on [page 50](#) of this Circular.

The Audit Committee acts as audit committee for each of the Canadian P&C insurance companies and each of the U.S. P&C insurance companies.

It is also responsible for reviewing the certification process and the certifications by the CEO and the Group CFO of the financial statements of the Company, as required by applicable legislation.

The full mandate of the Audit Committee is presented in the Company's AIF for the most recently completed financial year. It is also available in the Corporate Governance section of the Company's website ([www.intactfc.com](http://www.intactfc.com)).

### Composition of the Audit Committee

The Audit Committee meets the legal requirements for independence. The Audit Committee is composed of at least three (3) Directors, each of whom must be independent, and is currently composed of five (5) Directors, all of whom are independent Directors, and none of whom is a member of Management or an employee of the Company or its P&C insurance subsidiaries. Each Audit Committee member is "financially literate" within the meaning of the rules of the Canadian Securities Administrators relating to audit committees.

The Audit Committee met five (5) times in 2022. Members of Management participated in meetings at the invitation of the Chair of the Audit Committee. Detailed materials were distributed in advance of each meeting, containing information which allowed the Audit Committee to make informed decisions. *In camera* sessions were held at every meeting, among the Audit Committee members and among the Audit Committee members and the External Auditors, the Group Chief Internal Auditor, the Group Chief Financial Officer, the Group Chief Actuarial Officer and the Canadian Appointed Actuary, respectively. Mr. Young, who was a member of the Audit Committee until May 2022, still attended the July 2022 and November 2022 meetings partially in his capacity of Chair of the Board, and not as a member of the Audit Committee. All other Audit Committee members attended all of the meetings of the Audit Committee held in 2022.

## Oversight of the Group Chief Financial Officer, Group Chief Internal Auditor, Group Chief Actuarial Officer and Canadian Appointed Actuary Functions

The Audit Committee reviews and may recommend to the Board of Directors for approval the appointment or dismissal, if deemed appropriate, of the Group CFO, the Group Chief Internal Auditor, the Group Chief Actuarial Officer and the Canadian Appointed Actuary. The Audit Committee periodically reviews the mandate of these functions and obtains assurances that each function has the necessary budget and resources to meet its mandate and is able to act independently from the operations. It reports any issue to the Board of Directors in relation thereto before the Board of Directors approves the budget and plans of the Company.

### Activities of the Audit Committee in 2022

In line with its mandate, the Audit Committee has performed the following key functions in 2022:

#### Financial Review

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| <ul style="list-style-type: none"> <li>Reviewed on a continuing basis best practice in relation to new laws and rules that apply to the Company. In this regard, the CEO and the Group CFO continued to certify the Company's consolidated financial statements as required under National Instrument 52-109 – <i>Certification of Disclosure in Issuer's Annual and Interim Filings</i>;</li> <li>Reviewed reports and updates on IFRS 17 and IFRS 9 and the status of key deliverables to implement related changes;</li> <li>Reviewed financial disclosure documentation, including interim and annual financial statements, Management's Discussion and Analysis, press releases and AIF, and either approved such documents or recommended them for approval to the Board of Directors;</li> </ul> | <ul style="list-style-type: none"> <li>Reviewed and approved the Combined Statutory financial statements of the U.S. insurance subsidiaries as at December 31, 2021;</li> <li>Reviewed and recommended for approval by the Board of Directors the audited financial statements of the Canadian P&amp;C companies of IFC as at December 31, 2021;</li> <li>Reviewed the process for approval of the financial statements of the Canadian RSA pension plans as at December 31, 2021;</li> <li>Reviewed and recommended for approval by the Board of Directors the audited financial statements of the IFC pension plans as of December 31, 2021;</li> <li>Reviewed the Group CFO's quarterly reports;</li> </ul> | <ul style="list-style-type: none"> <li>Reviewed the Corporate Finance quarterly updates;</li> <li>Reviewed the Group Chief Risk and Actuarial Officer quarterly reports;</li> <li>Reviewed the actuarial peer review report based on data as of December 31, 2021;</li> <li>Reviewed Investor Relations updates;</li> <li>Reviewed Tax update reports;</li> </ul> |
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#### Internal Controls and Disclosure Controls

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| <ul style="list-style-type: none"> <li>Reviewed the quarterly Regulatory Inspections and Investigations Reports;</li> <li>Reviewed quarterly reports on the testing results of the Company's Financial Controls (NI 52-109);</li> </ul> | <ul style="list-style-type: none"> <li>Reviewed the quarterly Internal Audit reports;</li> <li>Reviewed reports on fraud and whistleblower investigations from the Group Chief Internal Auditor;</li> </ul> | <ul style="list-style-type: none"> <li>Reviewed and recommended for approval by the Board of Directors the 2023 Internal Audit Plan;</li> </ul> |
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## External Auditors

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| <ul style="list-style-type: none"> <li>Reviewed and recommended for approval by the Board of Directors the External Auditor's 2022 Audit Plan;</li> <li>Reviewed quarterly reports of the External Auditors;</li> <li>Reviewed all audit and permitted non-audit services performed by IFC's External Auditors, as well as related fees, and recommended their approval to the Board of Directors (see details regarding fees on <a href="#">pages 15 and 16</a> of this Circular);</li> </ul> | <ul style="list-style-type: none"> <li>Assured itself of the qualifications, performance and independence of the External Auditors (External Auditor Assessments);</li> <li>Recommended for approval by the Board of Directors the appointment of the Company's External Auditor;</li> <li>Approved the appointment of the U.S. insurance subsidiaries' external auditor;</li> </ul> | <ul style="list-style-type: none"> <li>Met regularly with the External Auditors without the presence of Management;</li> <li>Reviewed Management's proposed timeline and structure of a tender process for the appointment of the external auditor for the year 2024 and beyond;</li> </ul> |
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## Responsibility for Oversight Functions

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| <ul style="list-style-type: none"> <li>Reviewed and recommended for approval by the Board of Directors revisions to the mandates of (i) the Group CFO, (ii) the Group Chief Actuarial Officer and (iii) the Canadian Appointed Actuary;</li> </ul> | <ul style="list-style-type: none"> <li>Reviewed and recommended for approval by the Board of Directors revisions to the Corporate Audit Services Charter;</li> </ul> | <ul style="list-style-type: none"> <li>Obtained assurances from the Group Chief Internal Auditor, the Group Chief Actuarial Officer and the Group CFO that these functions have sufficient resources to meet their mandates and act independently from the operations;</li> </ul> |
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## Strategies and Mandate of the Audit Committee

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| <ul style="list-style-type: none"> <li>Reviewed and recommended for approval by the Board of Directors the Audit Committee report of the 2022 Management Proxy Circular;</li> </ul> | <ul style="list-style-type: none"> <li>Reviewed the overall results of the assessment of the Audit Committee and Chair of the Audit Committee;</li> </ul> | <ul style="list-style-type: none"> <li>Reviewed and recommended for approval by the Board of Directors revisions to the mandate of the Audit Committee.</li> </ul> |
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## Independent Engagement of External Consultants

The Audit Committee has authority with respect to, and has procedures for, the engagement of external consultants at the expense of the Company.

The Audit Committee is satisfied that it has appropriately fulfilled its mandate in 2022.

(Signed) Audit Committee

Jane E. Kinney (Chair)  
 Emmanuel Clarke  
 Janet De Silva  
 Frederick Singer  
 Carolyn A. Wilkins

## 6.3 Risk Management Committee

- Composed exclusively of independent Directors
- Met four (4) times in 2022
- Preparatory sessions before the Risk Committee meetings were held by the Chair of the Risk Committee with the CRO and other functions in the Company
- *In camera* sessions held at all meetings of the Risk Committee



Robert G. Leary



Emmanuel Clarke



Janet De Silva



Sylvie Paquette



Stuart J. Russell



Carolyn A. Wilkins

### Role of the Risk Management Committee

The Risk Committee has an oversight role with respect to the management of the Company in order to build a sustainable competitive advantage, by fully integrating the Enterprise Risk Management Policy into all business activities and strategic planning of the Company and its subsidiaries and operations, including its pension funds.

The Risk Committee defines the Company's risk appetite while also monitoring the risk profile and performance of the Company relative to its risk appetite. The Risk Committee also oversees the identification and assessment of the principal risks facing the Company and the development of strategies to manage those risks, and reviews and approves significant risk management policies at least annually. Furthermore, the Enterprise Risk Management Policy and the corresponding risk appetite framework are reviewed annually by the Risk Committee and recommended to the Board of Directors for approval. The principal risks overseen by the Risk Committee include insurance risk, financial risk and operational risk.

With respect to ESG matters, the Risk Committee assists the Board of Directors in assessing and monitoring risks related to climate change, including the potential impact of insured losses resulting from damage to property and assets arising from climate-related natural catastrophe events and climate change risks related to our investment portfolio, and in developing strategies to manage these risks. The Risk Committee also oversees social risks, including risks related to talent management and data protection and privacy. In terms of governance, the Risk Committee approves policies ensuring that the Company has sufficient internal controls to manage its key risks. More information on the role and responsibilities of the Risk Committee with respect to ESG oversight can be found on [page 50](#) of this Circular.

The Risk Committee monitors compliance with risk management policies implemented by the Company while ensuring an appropriate balance of risk and return in pursuit of the Company's strategic business objectives.

The CRO may call a meeting of the Board of Directors or the Risk Committee at any time.

The full mandate of the Risk Committee is available in the Corporate Governance section of the Company's website ([www.intactfc.com](http://www.intactfc.com)).

### Composition of the Risk Management Committee

The Risk Committee meets the legal requirements for independence. It is composed of a minimum of three (3) Directors, each of whom must be independent, and is currently composed of six (6) Directors, all of whom are independent Directors and non-executives of the Company or its P&C insurance subsidiaries. Each Risk Committee member has sufficient knowledge of the risk management of financial institutions as that term is defined in applicable legislation.

The Risk Committee met four (4) times in 2022 and members of Management participated in meetings at the invitation of the Chair of the Risk Committee. Detailed materials were distributed in advance of each meeting, containing information which allowed the Risk Committee to make informed decisions. *In camera* sessions among the Risk Committee members and among the Risk Committee members and the CRO, as well as the Executive Vice President and Managing Director of IIM, were held at all regular meetings of the Risk Committee. All Risk Committee members attended all of the meetings of the Risk Committee held in 2022.

## Risk Management Function

The Risk Committee reviews and recommends to the Board of Directors for approval the appointment or dismissal, if deemed appropriate, of the CRO. The Risk Committee periodically approves the mandate of the Enterprise Risk Management function and annually obtains assurances that this function has the necessary budget and resources to meet its mandate, and that the oversight of the risk management activities of the Company is independent from operational management, is adequately resourced, has appropriate status and visibility throughout the Company, and reports any issue in relation thereto to the Board of Directors. A list of our principal risks can be found in our annual Management's Discussion & Analysis for the year ended December 31, 2022, available on our website at [www.intactfc.com](http://www.intactfc.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## Activities of the Risk Management Committee in 2022

In line with its mandate, the Risk Committee has performed the following key functions in 2022:

### Oversight of Risk Management

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| <ul style="list-style-type: none"> <li>Reviewed the Quarterly Enterprise Risk Management Reports as well as the reports of the CRO on risk management, reinsurance programs and implementation plans, including on a continual basis the risk matrix identifying the top enterprise and emerging risks, including the broader implications of the Russia-Ukraine conflict;</li> <li>Reviewed quarterly capital management reports;</li> <li>Reviewed the market and economy risks that could affect the Company;</li> <li>Reviewed stress tests and discussed potential remediation measures;</li> <li>Reviewed the Quarterly Results and Investment Reports;</li> </ul> | <ul style="list-style-type: none"> <li>Reviewed the Company's UK&amp;I investments and private debt structure and objectives;</li> <li>Reviewed the strategic options to de-risk the UK pension plans and reduce the negative impact of the pension arrangements on key financial metrics;</li> <li>Reviewed a report on Canadian earthquake risk exposure and on the Company's Earthquake Exposure Reduction Program;</li> <li>Reviewed a report on the Company's catastrophe risk;</li> <li>Reviewed various reports on the Company's cybersecurity operational and underwriting risks and strategy, and on the results of its cybersecurity maturity assessment;</li> </ul> | <ul style="list-style-type: none"> <li>Reviewed the 2022 Reinsurance programs and a preview of the 2023 Reinsurance programs;</li> <li>Reviewed a report on the reinsurance market and the results of the catastrophe reinsurance benchmarking undertaken by Management;</li> <li>Reviewed the key highlights for the 2022 Financial Condition Test;</li> <li>Reviewed and recommended for approval by the Board of Directors revised internal target capital ratios for certain Canadian P&amp;C companies;</li> <li>Reviewed a report on the Company's Own Risk and Solvency Assessment (ORSA);</li> </ul> |
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### Responsibility for Oversight Function

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| <ul style="list-style-type: none"> <li>Reviewed an external benchmarking of the Enterprise Risk Management function's maturity;</li> </ul> | <ul style="list-style-type: none"> <li>Obtained assurances from the CRO that this function has sufficient resources to meet its mandate and act independently from the operations;</li> <li>Reviewed and approved the 2022 objectives of the CRO;</li> </ul> | <ul style="list-style-type: none"> <li>Reviewed and recommended for approval by the Board of Directors the mandates of (i) the CRO, (ii) the Canadian Appointed Actuary and (iii) the Enterprise Risk Committee;</li> </ul> |
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## Compliance with Risk Policies

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- Reviewed and approved, or recommended for approval by the Board, risk management policies, including a revised Enterprise Risk Management Policy and various investment and reinsurance risk management policies;

## Strategies and Mandate of the Risk Committee

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| <ul style="list-style-type: none"> <li>• Reviewed and recommended for approval by the Board of Directors the Risk Committee report of the 2022 Management Proxy Circular;</li> </ul> | <ul style="list-style-type: none"> <li>• Reviewed the overall results of the assessment of the Risk Committee and Chair of the Risk Committee;</li> </ul> | <ul style="list-style-type: none"> <li>• Reviewed and recommended for approval by the Board of Directors the mandate of the Risk Committee (including suggested changes).</li> </ul> |
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The Risk Management Committee is satisfied that it has appropriately fulfilled its mandate in 2022.

(Signed) Risk Management Committee

Robert G. Leary (Chair)  
 Emmanuel Clarke  
 Janet De Silva  
 Sylvie Paquette  
 Stuart J. Russell  
 Carolyn A. Wilkins



## 6.4 Human Resources and Compensation Committee

- Composed exclusively of independent Directors
- Met five (5) times in 2022
- Preparatory sessions before the HRC Committee meetings were held by the Chair of the HRC Committee with the Chief People Officer and other functions in the Company
- *In camera* sessions held at all meetings of the HRC Committee



Indira V. Samarasekera



Michael Katchen



Stephani Kingsmill



Robert G. Leary



Sylvie Paquette



Stuart J. Russell

### Role of the Human Resources and Compensation Committee

The HRC Committee assists the Board of Directors in fulfilling its responsibilities for strategic oversight of the Company's human capital, including organizational effectiveness, succession planning and compensation of employees, managers, Executives and Senior Executives. The HRC Committee also oversees the performance assessment of Senior Executives, and the alignment of compensation with the Company's philosophy and programs consistent with the overall business objectives of the Company.

The role of the HRC Committee is to design and oversee a comprehensive human resources policy, including a compensation policy, that:

- supports the Company's overall strategy and objectives;
- attracts and retains talent and key executives;
- fosters talent advancement through effective succession planning;
- links total compensation to financial performance, the attainment of strategic objectives and the achievement of value-driven goals;
- provides competitive opportunities at a reasonable cost;
- enhances the ability of the Company to fulfill its objectives;
- fosters a positive organizational culture that promotes diversity, fairness and inclusion; and
- encourages high performance of all employees.

With respect to ESG matters, the HRC Committee assists the Board of Directors in overseeing and implementing programs and internal policies promoting diversity, equity and inclusion within the Company and in fostering a positive work environment to engage employees. As such the HRC Committee oversees the Company's mental health and well-being initiatives, including our Be Healthy Program, Mental Health Week Program and our online Mental Health and Well-Being portal. Furthermore, the HRC Committee also oversees the activities of the Diversity and Inclusion Council. More information on the role and responsibilities of the HRC Committee with respect to ESG oversight can be found on [page 50](#) of this Circular.

Regarding compensation, the HRC Committee periodically reviews the overall market positioning of employees and the salary budget increase envelope for the year. It also periodically reviews the total remuneration of Executives in relation to pre-established objectives of the Company and reviews at least annually the individual compensation of the Senior Executives of the Company, which it approves in relation to pre-established corporate and personal objectives. It also periodically reviews the Total Compensation Policy of the Company.

The HRC Committee makes recommendations to the Board of Directors, for its approval, of the CEO mandate as well as the appointment, assessment, compensation and termination (if applicable) of the CEO. It periodically reviews the job description of the CEO and at least once a year reviews the CEO's objectives and assessment, and reports to the Board of Directors. The HRC Committee makes recommendations to the Board of Directors for its approval of the CEO's total compensation for the year in relation to pre-established, measurable performance goals and objectives, and ensures that the CEO demonstrates suitability in line with the Values of the Company.

The HRC Committee is responsible for reviewing the Company's pension and incentive plans and recommends them to the Board of Directors for approval. It approves non-material amendments to the Plans or recommends changes to the Board of Directors if the design of the Plans is fundamentally changed or if they are replaced with new Plans.

The HRC Committee reviews and assesses proposals for major reorganizations of the Company that affect the Senior Executives structure and its composition and makes recommendations to the Board of Directors. It also reviews and recommends to the Board of Directors the annual Statement on Executive Compensation included in this Circular, which is filed with regulators and communicated to the Company's shareholders.

The full mandate of the HRC Committee is available in the Corporate Governance section of the Company's website ([www.intactfc.com](http://www.intactfc.com)).

## Composition of the Human Resources and Compensation Committee

The HRC Committee meets the best practice requirements for independence. It is composed of six (6) Directors, all of whom are independent and none of whom is an officer or employee of the Company. In 2014, the Board of Directors adopted a policy providing that no more than one-third of the members of the HRC Committee shall be sitting chief executive officer(s) of another company. None of the HRC Committee members is eligible to participate in the Company's executive compensation programs.

The HRC Committee met five (5) times in 2022. The CEO and other members of Management participated in meetings at the invitation of the Chair of the HRC Committee. Detailed materials were distributed in advance of each meeting, containing information which allowed the HRC Committee to make informed decisions. *In camera* sessions were held at every meeting, among the HRC Committee members, and among the HRC Committee members and the CEO and external consultants, respectively. Mr. Penner, who was Chair of the HRC Committee until May 2022, did not attend the July and November 2022 meetings. Ms. Kingsmill and Mr. Katchen became members of the HRC Committee as of May and July 2022 respectively, and attended all 2022 meetings following their nomination. All other HRC Committee members attended all the meetings of the HRC Committee held in 2022.

## Activities of the Human Resources and Compensation Committee in 2022

The HRC Committee, in accordance with its mandate, performed the following key functions in 2022:

### Culture and People

- Reviewed quarterly reports on respect in the workplace and the 2022 people plan;
- Reviewed reports on the Company's People Strategy and key initiatives for 2023;
- Reviewed quarterly human resources reports, including updates on employee engagement, return to the office and hybrid work environment, turnover and recruitment, and diversity, equity and inclusion;
- Reviewed a report on an internal assessment of the effectiveness of the Company's frameworks and policies from a racial equity perspective, and the results of such assessment;

### Assessments and Succession Planning

- Reviewed the 2021 performance assessment of the CEO and recommended for approval by the Board of Directors the CEO's performance objectives for 2022;
- Reviewed and approved the succession plans of the CEO, the country CEOs, the Chief Operating Officer and all Executive Vice Presidents;

### Pension Plans

- Reviewed the financial positions of the Canadian Registered Pension Plans and recommended for approval by the Board of Directors the filing of the December 31, 2021 valuation reports and the 2022 Company contributions;
- Reviewed the projected financial positions of the Canadian Registered Pension Plans as at December 31, 2022 and the estimated 2023 contributions;
- Reviewed and recommended for approval by the Board of Directors amendments to the Canadian Northern Shield (CNS) Pension Plans, including termination and settlement of the CNS Supplemental Executive Retirement Plans (SERPs);
- Reviewed and recommended for approval by the Board of Directors the merger of various pension plans and the merger of various Supplemental Executive Retirement Plans (SERPs) in Canada;
- Reviewed and approved amendments to the IFC Funding Policy of its Defined Benefits Pension Plans;
- Approved the nomination of the external auditor for the Canadian RSA pension plans;

## Executive Compensation

- **CEO compensation:** Reviewed and approved the CEO's Short-Term Incentive Plan (STIP), Long-Term Incentive Plan (LTIP) and total compensation, as well as his 2022 objectives, and reported to the Board of Directors its recommendations for the CEO's 2023 target compensation. Reviewed and approved the process for the annual evaluation of the CEO;
- **Compensation structure review:** Reviewed the market compensation positioning of the Company and conducted an annual Senior Executives compensation review, and after reviewing the compensation structure, determined it is appropriate;
- **2021 STIP Payout:** Reviewed and approved the 2021 STIP payouts for Senior Executives and bonus payouts for employees (Canada and U.S.) and reviewed the 2021 UK&I projected bonus payout;
- **2019-2021 LTIP Payout:** Reviewed and approved the 2019-2021 LTIP payouts made in 2022 for Executives and Senior Executives (Canada and U.S.);
- **2022-2024 LTIP awards:** Reviewed and approved the 2022-2024 LTIP awards (Canada, U.S. and UK&I);
- **2023 STIP metrics:** Reviewed and recommended for approval to the Board of Directors the 2023 Canada STIP, 2023 U.S. STIP, 2023 Global Specialty Lines STIP and 2023 UK&I STIP targets;
- **2023-2025 LTIP metrics:** Reviewed and recommended for approval to the Board of Directors the 2023-2025 LTIP Performance Metrics and Financial targets for Canada, U.S., Global Specialty Lines and UK&I;
- Reviewed and recommended for approval by the Board of Directors the weightings of the ROE benchmark for the 2022 performance year;
- Reviewed and approved proposed changes to the Intact Ventures team compensation, and recommended for approval by the Board of Directors the 2022 Intact Ventures Carried Interest Incentive Plan for Eligible Recipients;
- Reviewed the CRO Report confirming that proposed changes to the Company's 2022 compensation program were appropriate from a risk management perspective and compliant with the Principles for Sound Compensation Practices of the Financial Stability Board;
- Reviewed and approved a retention award for the CEO UK&I in the form of a one-time off-cycle grant delivered in special PSUs;
- Reviewed and approved changes to the Compensation Policy Statement;
- Reviewed and approved amendments to the Minimum Share Ownership and Retention Policy;
- Reviewed and approved updates to the list of Senior Executives subject to the LTIP two-year post-vesting restriction period;
- Reviewed and approved revisions to the Compensation Peer Groups;
- Reviewed a report on the ROE Industry benchmark methodology;
- Reviewed current and emerging market trends and best practices, as well as related regulatory developments and proxy voting guidelines and reports issued by various institutional investors and proxy advisory firms;

## Strategies and Mandate of the HRC Committee

- Reviewed and recommended for approval by the Board of Directors proposed changes to the mandate of the HRC Committee;
- Reviewed and approved the HRC Committee report and Statement on Executive Compensation of the 2022 Management Proxy Circular;
- Reviewed the overall results of the assessment of the HRC Committee and the Chair of the HRC Committee.

## Role of certain Executive Officers in Compensation Decisions

The Executive Vice President, Chief People, Strategy and Climate Officer works with the CEO to prepare each meeting of the HRC Committee and assists the CEO in developing and presenting to the HRC Committee recommendations and supporting material regarding the compensation of Senior Executives. Supporting material is also provided to the HRC Committee for the CEO position, but without any recommendations. The recommendation to the Board of Directors regarding the CEO's compensation is determined *in camera* by the HRC Committee with the support of our independent advisor. The Secretary's Office separately manages the assessment process of the CEO by the members of the Board of Directors and reports the results of such assessment to the HRC Committee and the Board of Directors, such assessment being part of the assessment of the CEO in relation to attainment of the Company's financial objectives, his own personal objectives, his total compensation and his performance against the responsibilities outlined in the CEO description of functions approved by the Board of Directors.

The CRO works with the CEO to review the personal objectives of Senior Executives and of the oversight functions to ensure that, individually as well as in aggregate, they do not provide incentive for excessive risk-taking. The Group CFO supplies the HRC Committee with analyses that support decision-making regarding the design, calibration and administration of our incentive plans.

The HRC Committee is satisfied that it has appropriately fulfilled its mandate in 2022.

(Signed) Human Resources and Compensation Committee

Indira V. Samarasekera (Chair)

Michael Katchen

Stephani Kingsmill

Robert Leary

Sylvie Paquette

Stuart J. Russell

## 7 Statement on Executive Compensation

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## 7.1 Executive Compensation Overview

This Statement on Executive Compensation is meant to provide a comprehensive and transparent disclosure of the Company's executive compensation, as well as explanations regarding the objectives and implementation of the Company's executive compensation framework.

### Our Compensation Philosophy

The Company's executive compensation program is based on the following key principles:



**Attract, retain and motivate key talent** in a highly competitive business environment.



**Align the objectives of Executives and Senior Executives** with those of the Company and the long-term interests of shareholders and other stakeholders.



**Link the Executives' and Senior Executives' short-term and long-term incentives to the Company's financial performance** on both an absolute basis and relative to the P&C insurance industry.

Our incentive programs reward financial and non-financial accomplishments in line with our corporate strategy, objectives and Values. We further align the interests of our Executives and Senior Executives with those of shareholders with share ownership guidelines and trading restrictions, including maintaining minimum share ownership post-termination for Senior Executives.



More information on our Compensation Philosophy can be found on [page 98](#) of this Circular.

### Our Compensation Framework

The Company's executive compensation framework is key to supporting the Company's strategy and promoting its Values. It aims for an appropriate balance between fixed and variable compensation that encourages participation and behaviour aligning with the Company's strategy and the long-term interests of its shareholders and other stakeholders. The components of our executive compensation framework are as follows:

#### Total Direct Compensation

- Base Salary
- Short-Term Incentive Plan (STIP)
- Long-Term Incentive Plan (LTIP)
- Executive Stock Option Plan (ESOP) for select Senior Executives<sup>1</sup>

#### Total Indirect Compensation

- Group benefits
- Retirement benefits
- Perquisites



More information on the Company's executive compensation framework can be found on [pages 109 to 122](#) of this Circular.

<sup>1</sup> No stock options were granted in 2022

## Highlights of our Compensation Governance Practices

- **Say-on-Pay:** Annual shareholder advisory vote on executive compensation
- **Strong link** between pay and performance
- **Look-back table** showing the alignment of Mr. Brindamour's pay with the Company's performance since Mr. Brindamour became CEO (January 1, 2008)
- **Double trigger vesting of stock incentives under the LTIP** upon change of control
- **Robust Clawback Policy** applicable to all variable compensation, including cash bonuses and equity compensation
- **Minimum Director share ownership requirements** equivalent to 4x total annual retainer (and more than 8x annual cash retainer)
- **Minimum Executive share ownership requirements** equivalent to 2x LTIP target and minimum retention periods for the CEO, Senior Executives and certain other Executives, including after leaving the Company
- **ESG-related goals**, including regarding employee engagement, diversity, equity and inclusion, climate initiatives and customer-driven initiatives are included in the personal objectives of the CEO and other Senior Executives under the STIP
- **LTIP awards composed entirely of PSUs** for the CEO, Senior Executives and certain Executives
- Retention of **independent compensation consultant**
- **Prohibition for Executives and Senior Executives to hedge their economic risk** or reduce their exposure to changes in share price with respect to any securities of the Company

## Our 2022 Compensation Highlights

Following the Company's transformative acquisition of RSA in 2021, we reviewed and modified our executive compensation structure to reflect the new scope of our operations. Our objective remains to align the interests of our Executives and Senior Executives with those of our shareholders and other stakeholders and to promote behaviour among our management team that supports the Company's long-term strategy and objectives. Details of the modifications made to our executive compensation structure in 2021 can be found in the Statement on Executive Compensation included in our 2022 Management Proxy Circular.

## Our Named Executive Officers (NEOs)

- Charles Brindamour, Chief Executive Officer, Intact Financial Corporation
- Louis Marcotte, Executive Vice President and Chief Financial Officer
- T. Michael Miller, Chief Executive Officer, Global Specialty Lines
- Ken Norgrove, Chief Executive Officer, UK&I
- Louis Gagnon, Chief Executive Officer, Canada

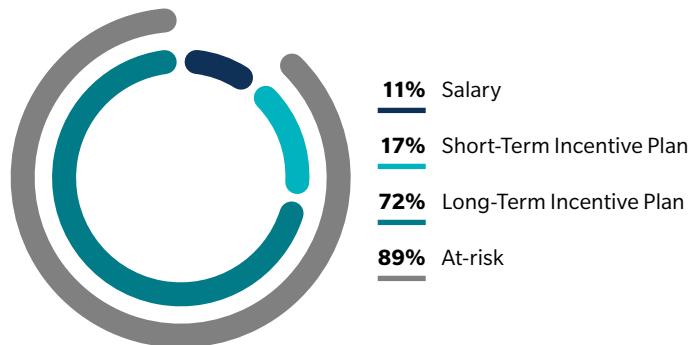


**97.74%**

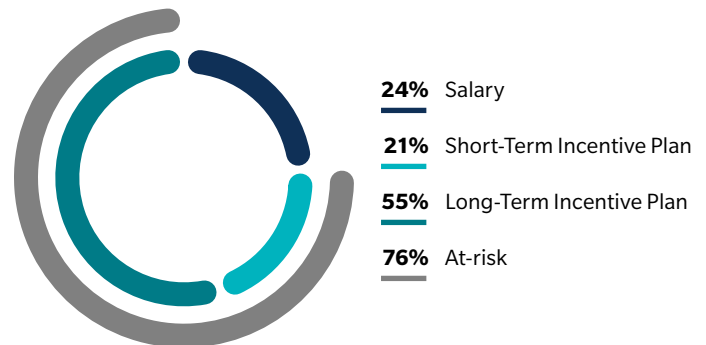
**approval on advisory resolution on executive compensation** (say-on-pay) at the 2022 Annual Meeting of Shareholders

In 2022, 89% of the target total direct compensation of the CEO was at risk, and an average of 76% of the target total direct compensation of the other NEOs was at risk.

## 2022 CEO Target Direct Compensation Mix



## 2022 Other NEOs Target Direct Compensation Mix (Average)



More information on the 2022 CEO and other NEOs compensation can be found on [pages 123 to 128](#) of this Circular.

## 2022 Key Financial Results for our Short-Term and Long-Term Incentive Plans

Our Executives' and Senior Executives' total compensation is directly linked to the Company's financial absolute performance and relative performance compared to the P&C industry, and to the Executives' and Senior Executives' individual performance. The Company's financial performance is measured by specific metrics:

- Direct premiums written (DPW)
- Combined ratio
- Net operating income per share
- Adjusted return on equity

### Short-Term Incentive Plan Metrics

Absolute Direct Premiums Written (DPW) – Canada

**\$14,037 million**

Combined Ratio – Canada

**85.3%**

Combined Ratio – UK&I<sup>1</sup>

**93.2%**

Net Operating Income per Share (NOIPS)<sup>1</sup>

**\$12.80**

Combined Ratio – U.S.<sup>1</sup>

**89.4%**

Combined Ratio – Global Specialty Lines

**86.2%**

### Long-Term Incentive Plan Metrics

3-year Average Adjusted Return on Equity

**18.5%**

3-year Average Combined Ratio – U.S.<sup>1</sup>

**91.2%**

These metrics are non-GAAP financial measures and ratios. See Section 36 – Non-GAAP and other financial measures of the Company's Management's Discussion and Analysis for the year ended December 31, 2022, available on SEDAR ([www.sedar.com](http://www.sedar.com)) for the definition and reconciliation to the most comparable GAAP measures. Additional information on the use of non-GAAP financial measures and ratios for the purpose of STIP and LTIP calculations can be found on [page 122](#) of this Circular.

<sup>1</sup> Normalized for planned catastrophe losses.



The 2022 financial performance of the Company measured by the abovementioned metrics resulted in (i) a payout of 140.4% for the 2022 STIP portion attributable to Canadian financial results, a payout of 160% for the 2022 STIP portion attributable to U.S. financial results, a payout of 200% for the 2022 STIP attributable to the GSL financial results and a payout of 133.3% for the 2022 STIP portion attributable to the UK&I financial results; and (ii) an estimated payout of 197.5% of the PSUs allocated in 2020 under the LTIP Canadian metrics and a payout of 120% of the PSUs allocated in 2020 under the LTIP U.S. metrics.

Since June 1, 2021, UK&I industry results are included in the Weighted Global Benchmark used in the LTIP metrics, to reflect the RSA Acquisition. Due to the UK industry results not being available until May of each year, the final LTIP payout attributable to the outperformance of IFC's 3-year average ROE relative to the 3-year average ROE of the Weighted Global Benchmark for the performance cycle which ended in 2022 is not available at the time of publication of this Circular. We are therefore presenting an estimated LTIP payout result based on projected UK industry 3-year average ROE as at time of publication. Final LTIP payout figures will be disclosed in the Company's 2024 Management Proxy Circular.

Further details on how the STIP and LTIP payouts are linked with the Company's performance measured by the abovementioned metrics can be found on [pages 110 to 118](#) of this Circular.


More information on the Company's 2022 financial performance can also be found in our 2022 Annual Report, which includes the Company's consolidated financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2022.

## 7.2 Compensation Discussion and Analysis

### Compensation Philosophy

#### **Our compensation philosophy is based on the following key objectives:**

- Attract, retain and motivate key talent in a highly competitive business environment
- Align the objectives of Executives and Senior Executives with those of the Company and the long-term interests of shareholders and other stakeholders
- Link the Executive and Senior Executive short-term and long-term incentives to the Company's financial performance and its relative performance compared to the P&C insurance industry

 Supporting each of Intact Financial Corporation's products and services is a team of motivated, intelligent and hard-working employees. To be successful and sustain its position as the largest provider of P&C insurance in Canada, a leading provider of global specialty insurance and, with RSA, a leader in the UK and Ireland, the Company must attract, retain and motivate talented Executives and Senior Executives in a highly competitive business environment. The HRC Committee wants Intact Financial Corporation's leaders to focus on sustaining high levels of performance and growth in shareholder value, reinforcing the pay-for-performance philosophy.

Executives and Senior Executives play a key role in the Company meeting its strategic objectives. Consequently, it is essential that their compensation package aligns their objectives with those of the Company and the long-term interests of shareholders and other stakeholders. Similarly, our compensation philosophy strongly supports the alignment of short-term and long-term incentives of Executives and Senior Executives with the Company's financial performance relative to its set objectives and relative to the performance of the P&C insurance industry.

To achieve the above objectives, the HRC Committee:

- sets target total compensation levels (including base salary, short-term and long-term incentives, perquisites, benefits and pension) aligned to the market median of the relevant comparator group (see detailed comparator groups on [pages 101 to 104](#));
- strengthens a culture of pay-for-performance through a pay mix with a strong emphasis on variable pay and long-term incentives delivered in PSUs that are conditional to the creation of value for the shareholders;
- implements share ownership guidelines, restrictions on trading and anti-hedging and clawback policies as appropriate; and
- awards additional incentive compensation that rewards performance and recognizes special achievements as appropriate.

The executive compensation package applies to all Executives and Senior Executives of IFC and its subsidiaries. Each year, the compensation package of Executives and Senior Executives is reviewed to ensure alignment with the Company's compensation philosophy. The HRC Committee also reviews the compensation philosophy periodically.

## Alignment of compensation with ESG factors



Our purpose is to help people, businesses and society prosper in good times and be resilient in bad times. The Company's "Living our Values" code of conduct sets out our commitment to acting with integrity and with the highest of ethical standards when we deliver for our customers, employees, shareholders and society. In light of our purpose and Values, ESG performance is therefore naturally embedded into our strategy. We aim to:



Have **3 out of 4**  
**customers** be  
our advocates



Have **3 out of 4**  
**stakeholders**  
recognize us  
as leaders in  
building resilient  
communities



Achieve **Net**  
**Zero by 2050**  
and halve our  
operations  
emissions  
by 2030



Be a **best**  
**employer**



Have our  
employees and  
leaders **be**  
**representative**  
**of the**  
**communities**  
**we serve**

Our executive compensation package aims to align the compensation of Executives and Senior Executives with the achievement of the Company's financial and strategic objectives, including ESG performance, and with the long-term interests of shareholders and other stakeholders, such as our employees, customers and communities. As such, our Senior Executives' individual/personal goals in the STIP include objectives derived directly from our ESG-related strategic objectives mentioned above. For instance, the STIP goals of the CEO and other Senior Executives include employee engagement, diversity, equity and inclusion, and customer-driven initiative goals, and certain Executives and Senior Executives overseeing IIM's operations have specific STIP goals regarding the development and implementation of ESG initiatives within IIM's portfolio management strategy. New ESG-related STIP goals have also been introduced in 2022 for certain Senior Executives regarding the Company's climate change initiatives.

"Living our Values" is also a necessary condition for career advancement and pay progression at all levels in the Company, and it is fully considered in the Company's succession planning program when appointing and assessing Executives and Senior Executives.

Respectful of the environment and its finite resources, the Company also incentivizes Executives and Senior Executives eligible for a car under its perquisites to select vehicles with lower fuel consumption, as well as hybrid and electric vehicles.

## Compensation Methodology

### Compensation Decision-Making Process

The illustration below provides an overview of the yearly decision-making process followed by the HRC Committee to determine our Executives' and Senior Executives' compensation. For more detailed information on the HRC Committee composition, mandate and activities in 2022, please refer to the report of the HRC Committee starting on [page 90](#) of this Circular.



#### Annual Compensation Decision-Making Process

##### First Quarter

**Deliver LTIP payout** (RSU component) for the 3-year performance cycle ended with previous year

**Proceed** with individual compensation changes (if applicable)

**Assess individual performance** based on performance goals and objectives

**Approve STIP** personal and financial results of previous year and approve final STIP payout

**Deliver STIP payout** of previous year (U.S. and UK&I)

**Approve and deliver LTIP payout** (PSU component) as per results of 3-year performance cycle ended with previous year (U.S.)

##### Second Quarter

**Deliver STIP payout** of previous year (Canada)

**Approve and deliver LTIP payout** (PSU component) as per results of 3-year performance cycle ended with previous year (Canada)

**Approve and allocate LTIP awards** for the starting 3-year cycle

##### Third Quarter

**Review and approve the Compensation Policy Statement**, which covers all aspects of the total compensation offering made to the Company's employees as well as the Company's compensation philosophy and alignment with its values

##### Fourth Quarter

**Conduct an annual benchmarking exercise** to make the right compensation decisions

**Determine target compensation level accordingly for the following year** (salary level, target STIP % and LTIP %)

**Set performance goals** and confirm STIP metrics for next year

**Review and confirm LTIP metrics** for next award

## Benchmarking and Comparator Groups

Following the RSA Acquisition and the multiplication of the markets where we operate, in 2021 we reviewed our comparator groups and related benchmarks. Our NEOs now fall within three distinct groups:

- Canadian Senior Executives with Global Oversight
- U.S. Senior Executives
- UK&I Senior Executives

### **Comparator Group for Canadian Senior Executives with Global Oversight**

The compensation of the members of the Canadian Senior Executives with Global Oversight group, including Mr. Brindamour, Mr. Marcotte and Mr. Gagnon, is benchmarked using a global comparator group reflecting the complexity associated with managing a company with a global scope of operations (the “Global Comparator Group”).

There are 20 companies included in the Global Comparator Group, which were selected according to the following criteria:

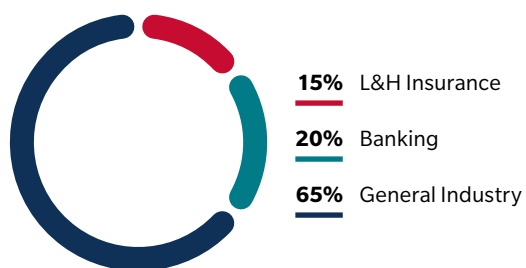
- large listed Canadian insurance companies;
- other Canadian financial services institutions with market capitalization or annual revenues between 0.5 and two times those of Intact;
- listed general industry companies headquartered in Canada with (ideally) a North American/International scope of operations with annual revenues or market capitalization between 0.5 and two times those of Intact but excluding companies active in the primary resource sectors (e.g. oil and gas, pulp and paper, metals and mining), given the high volatility of such industries.

The Global Comparator Group is comprised of the following companies:

Company	Primary Industry	Market Cap (\$MM)		TEV <sup>(1)</sup> (\$MM)		LTM Revenue (\$MM)	
		31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22	31-Dec-21	31-Dec-22
Large Canadian Insurance Companies							
Manulife Financial Corporation	Life and Health Insurance	\$ 46,837	\$ 45,278	\$ 50,677	\$ 53,650	\$ 59,841	\$ 15,284
Sun Life Financial Inc.	Life and Health Insurance	\$ 41,261	\$ 36,854	\$ 41,042	\$ 39,899	\$ 35,688	\$ 23,322
Great-West Lifeco Inc.	Life and Health Insurance	\$ 35,322	\$ 29,166	\$ 43,234	\$ 36,502	\$ 64,447	\$ 44,704
Canadian Financial Services Companies							
The Bank of Nova Scotia	Diversified Banks	\$ 108,879	\$ 79,040	n/a	n/a	\$ 29,435	\$ 29,801
Bank of Montreal	Diversified Banks	\$ 88,264	\$ 86,253	n/a	n/a	\$ 27,059	\$ 33,375
Canadian Imperial Bank of Commerce	Diversified Banks	\$ 66,494	\$ 49,630	n/a	n/a	\$ 19,857	\$ 20,776
National Bank of Canada	Diversified Banks	\$ 32,589	\$ 30,722	n/a	n/a	\$ 8,925	\$ 9,507
Canadian General Industry Companies of Similar Size							
Air Canada	Passenger Airlines	\$ 7,561	\$ 6,963	\$ 15,541	\$ 15,508	\$ 6,400	\$ 16,556
Alimentation Couche-Tard Inc.	Food Retail	\$ 56,287	\$ 59,887	\$ 64,041	\$ 69,134	\$ 57,178	\$ 79,775
Canadian National Railway Company	Rail Transportation	\$ 109,745	\$ 108,728	\$ 121,537	\$ 124,074	\$ 14,477	\$ 17,107
Canadian Pacific Railway Limited	Rail Transportation	\$ 84,573	\$ 93,896	\$ 94,800	\$ 114,613	\$ 7,995	\$ 8,814
CGI Inc.	IT Consulting and Other Services	\$ 27,078	\$ 27,586	\$ 29,601	\$ 30,591	\$ 12,127	\$ 12,867
Fortis Inc.	Electric Utilities	\$ 28,861	\$ 26,023	\$ 57,469	\$ 58,150	\$ 9,448	\$ 11,043
Loblaw Companies Limited	Food Retail	\$ 34,558	\$ 38,792	\$ 49,095	\$ 54,945	\$ 53,170	\$ 56,504
Nutrien Ltd.	Fertilizers and Agricultural Chemicals	\$ 54,270	\$ 51,420	\$ 69,660	\$ 69,134	\$ 33,992	\$ 50,093
Saputo Inc.	Packaged Foods and Meats	\$ 11,810	\$ 14,048	\$ 15,892	\$ 17,854	\$ 14,294	\$ 15,035
TELUS Corporation	Integrated Telecommunication Services	\$ 40,538	\$ 37,288	\$ 60,307	\$ 62,117	\$ 16,838	\$ 18,292
Thomson Reuters Corporation	Research and Consulting Services	\$ 73,690	\$ 74,278	\$ 76,795	\$ 78,798	\$ 8,033	\$ 8,969
Waste Connections, Inc.	Environmental and Facilities Services	\$ 44,927	\$ 46,133	\$ 50,991	\$ 54,549	\$ 7,784	\$ 9,761
WSP Global Inc.	Construction and Engineering	\$ 21,611	\$ 19,550	\$ 23,864	\$ 23,536	\$ 10,279	\$ 11,933
Summary Statistics							
75th percentile		\$71,890.7	\$ 70,680	\$ 68,256	\$ 69,134	\$ 35,264	\$ 32,482
Median		\$43,094.4	\$ 42,035	\$ 50,834	\$ 54,747	\$ 15,658	\$ 16,832
25th percentile		\$29,792.7	\$ 27,981	\$ 32,461	\$ 32,069	\$ 9,056	\$ 11,265
Average		\$ 50,758	\$ 48,077	\$ 54,034	\$ 56,441	\$ 24,863	\$ 24,676
Intact Financial Corporation	Property and Casualty Insurance	\$ 28,951	\$ 34,159	\$ 34,257	\$ 39,874	\$ 17,884	\$ 21,257
Percentile rank		21st	35th	23rd	33rd	54th	64th

<sup>(1)</sup> Total Enterprise Value (TEV) represents the cash-less value of a firm as an asset.

## Industry Prevalence



Statistical Distribution	Market Capitalization (in millions) December 31, 2022	Total Enterprise Value (in millions) December 31, 2022	Total Revenues (in millions) Fiscal year 2022
25th percentile	\$ 27,981	\$ 32,069	\$ 11,265
Median	\$ 42,035	\$ 54,747	\$ 16,832
75th percentile	\$ 70,680	\$ 69,134	\$ 32,482
Intact	\$ 34,159	\$ 39,874	\$ 21,257
Percentile rank	35th	33th	64th

### Comparator Group for U.S. Senior Executives

The compensation of the members of the U.S. Senior Executives group, including Mr. Miller, is benchmarked using a comparator group of U.S. companies reflecting the complexity associated with managing a company offering specialty insurance (the “U.S. Comparator Group”).

There are 14 companies included in the U.S. Comparator Group, which were selected according to the following criteria:

- P&C companies with at least 50% of revenues from specialty and commercial lines of business combined;
- U.S.-based companies that are listed or participate in the Willis Towers Watson/Mercer Databank; and
- companies with annual revenues above US\$500 million and assets above US\$1 billion.

No cap was applied on each company’s annual revenues and assets in order to gather the maximum number of relevant companies. However, regression analyses were performed to adjust market compensation levels and account for company size based on the scope of each U.S. Senior Executive’s role.

#### The U.S. comparator group is comprised of the following companies:

Allied World

American Financial Group, Inc.

Argo Group

Aspen Insurance Holdings Limited

Chubb

Cincinnati Financial Corp.

Loews Corporation (CNA)

Markel Corporation

RLI Corp.

Selective Insurance Group

The Navigators Group, Inc.

The Travelers Companies, Inc.

W.R. Berkley Corporation

Zurich North America

### Comparator Group for UK&I Senior Executives

Following the acquisition of RSA, upon the recommendation of the HRC Committee, the Board of Directors approved a distinct comparator group for UK&I Senior Executives, including Mr. Norgrove (the “UK&I Comparator Group”). There are 33 companies included in the UK&I Comparator Group, which were selected according to the following criteria:

- International insurers;
- FTSE companies from various industries with international operations and revenues between 0.5 and two times those of the Company’s operations in the UK&I, excluding mining, oil and gas and banking sections.

The UK&I Comparator Group is comprised of the following companies:

FTSE companies:	International Insurers:
RELX Group	Prudential
Experian	Aviva
Smith & Nephew	Legal & General Group
Mondi	Standard Life
Bunzl	Direct Line Group
Phoenix Group	Hastings Direct
Kingfisher	AEGON Group
Pearson	Ageas UK
Direct Line Group	Allianz
ITV	Allianz Global Corporate & Specialty
G4S	Atradius
Balfour Beatty	AXA Group
Drax Power Group	Bupa Centre
Serco Group	QBE Insurance Group
	Zurich Insurance Group
	Phoenix Group
	Royal London
	Transatlantic Holdings
	Canada Life

### Target Total Compensation Position Relative to the Comparator Group

The Company’s policy is to set target total compensation for Executives and Senior Executives in line with the median of the applicable comparator group. Other factors such as experience, individual contribution and internal equity are also considered when finalizing individual total compensation opportunities. Actual total compensation further depends on individual and corporate performance relative to set objectives.

The CEO’s target total compensation is established *in camera* by the HRC Committee, which aims to determine a target incentive that provides a proper link between Mr. Brindamour’s long-term interests and those of the Company’s shareholders. In 2022, Mr. Brindamour’s target total compensation was positioned at 108% of the median of the Global Comparator Group.

# Compensation Governance and Risk Management



## Compensation Governance Structure

### Board of Directors

- Oversees the Company's general approach to human resources and compensation philosophy and reviews, discusses and approves the compensation and benefits plans for employees, Management and Directors

### Shareholders

- Provide feedback to the Board on the Company's executive compensation programs through shareholder advisory vote (say-on-pay) and shareholder engagement activities

### Human Resources and Compensation Committee

- Assists the Board in fulfilling its governance supervisory responsibilities for strategic oversight of the Company's human capital, including its compensation programs
- Oversees the alignment of compensation with the Company's compensation philosophy and strategic objectives
- Oversees Management in defining policies and programs that link total compensation to financial performance and the attainment of strategic objectives and that provide total competitive opportunities at a reasonable cost while enhancing the ability to fulfill the Company's objectives
- Reviews, assesses and approves the compensation of Senior Executives

### Audit Committee

- Recommends the approval of the financial statements and the financial results used to establish performance levels and oversees the use of non-IFRS financial measures and the external auditor review of compensation disclosure

### Risk Management Committee

- Oversees the risks and asset-liability management of the Company's pension plans

### Governance and Sustainability Committee

- Oversees the governance and compliance framework of the Company and its pension plans

### Chief People Officer

- Assists the CEO in defining policies and programs to ensure that the Company's compensation programs are centred on a pay-for-performance culture and are built to support the attainment of the Company's strategic objectives
- Assists the CEO in developing and presenting to the HRC Committee recommendations and supporting material regarding the compensation of Senior Executives
- Supports Senior Executives in determining and approving the compensation of Executives

### Chief Financial Officer

- Supplies the HRC Committee with analyses that support decision-making with respect to the design, calibration and administration of the Company's incentive plans

### Chief Risk Officer

- Reviews with the CEO the personal objectives of Senior Executives to ensure that, individually and in aggregate, they do not provide incentive for excessive risk-taking

### External Independent Compensation Consultant

- Provides consulting services to the HRC Committee on matters related to executive and non-executive compensation, including market trends, program structure and design



## Compensation Consultant Independent Advice

The HRC Committee works with Management and the compensation team to review employment and compensation practices in the Canadian, U.S. and UK markets to ensure that employees, managers, Executives and Senior Executives are competitively compensated. The HRC Committee may also consult directly with independent experts to fulfill its mandate.

In November 2020, the HRC Committee retained the services of Hugessen Consulting Inc. (“Hugessen”) to act as the new independent compensation consultant for the HRC Committee. Hugessen has been mandated to review and provide advice directly to the HRC Committee on executive compensation recommendations and related questions.

In 2022, executive compensation-related fees represented 100% of the fees paid to Hugessen. The fees totalled \$84,873, which included advice and analysis provided to the HRC Committee on executive compensation levels and incentive design. In 2021, executive compensation-related fees also represented 100% of the fees paid to Hugessen. The fees totalled \$316,768, which included advice and analysis provided to the HRC Committee on executive compensation levels, incentive design, and specifically the development of the ESOP and PSO grant structure.

The fees paid to Hugessen for the services provided in the 2021 and 2022 fiscal years were as follows:

	Fiscal Years	
	2022	2021
<b>Fees paid to Hugessen Consulting Inc.</b>		
Executive compensation-related fees	<b>\$ 84,873</b>	\$ 316,768
All other fees	<b>\$ 0</b>	\$ 0

## Compensation Risk Management and Key Policies

Risk management is at the heart of our daily operations. Consequently, the Company’s compensation programs are founded on principles and processes that support the management of risk, ensuring Management’s plans and activities are prudent and focused on generating shareholder value within an effective risk control environment. The HRC Committee continuously monitors emerging best practices that relate to compensation and HRC program design with the support of our independent advisor and recommends changes to our plans as appropriate.

In addition, the HRC Committee formally meets periodically with the CRO to discuss how the Company’s compensation approach and programs align with sound risk management principles, including the Financial Stability Board Principles for Sound Compensation Practices, and how the compensation structure and design result in incentive awards that are appropriately calibrated with risk outcomes.

## Share Ownership Policy and Restrictions on Trading

The HRC Committee has adopted a share ownership policy applicable to Executives and Senior Executives including the NEOs. Under this policy, Executives and Senior Executives are expected to accumulate and own IFC shares over time. This practice, designed to more closely align Management’s and shareholders’ interests, is common for public companies and consistent with good corporate governance practices and the principles of the Canadian Coalition for Good Governance, among others.

Canadian and U.S. Executives and Senior Executives are expected to accumulate two (2) times their annual LTIP target in IFC shares. There are prescribed conditions to satisfy the share ownership policy:

- Senior Executives and certain Executives are expected to satisfy the requirements within five (5) years of their date of appointment as Senior Executives or Executives and they cannot sell any shares until they have met the target ownership; and
- there is no specific time frame for other Executives to satisfy the requirements; however, they must retain a minimum of 50% of their after-tax LTIP gains at each delivery in IFC shares until they reach their target ownership.

In 2022, we started onboarding UK&I Executives and Senior Executives into the IFC share ownership policy. As a transitory measure, until the 2023-2025 LTIP awards become vested, all existing legacy RSA share ownership requirements will continue to apply. Once such awards become vested, the following requirements will apply:

- All UK&I Senior Executives, as well as some UK&I Executives, will have ownership requirements of two (2) times their annual LTIP target; Mr. Norgrove already has a share ownership requirement of two (2) times his annual LTIP target since he was hired in January 2022.
- Other UK&I Executives participating in the LTIP will have share ownership requirements equivalent to one (1) time their annual LTIP target.

Senior Executives and Executives who meet the requirements of target ownership will be able to sell Common Shares as long as they continue to meet the target ownership requirements after such sale. However, following approval by the HRC Committee and effective since April 2018, a two (2) year post-vesting restriction period applies to, among others, (i) the CEO and the Canadian direct reports of the CEO, (ii) the Oversight Functions and (iii) the Vice Chairmen located in Canada. Please refer to [page 116](#) for additional details.

IFC shares for purposes of the share ownership policy include shares currently owned, as well as non-vested RSUs granted under the LTIP and Common Shares subject to the two-year post-vesting restriction period. Unvested PSUs and PSO grants are not included in the ownership calculation; however, for Mr. Miller's ownership, 75% of tranche 2 of the special award PSUs granted in 2017 to Mr. Miller following the acquisition of OneBeacon (the "2017 Special Award PSUs"), which vested on December 31, 2022 and were delivered in the first quarter of 2023, were previously included in the calculation as the 2017 Special Award PSUs have a 75% minimum vesting condition.

- Since 2021, all Senior Executives and certain Executives receive awards composed entirely of PSUs under the LTIP. On January 1, 2023, the RSUs awarded under the 2020-2022 LTIP cycle vested. The CEO and other NEOs, except Mr. Norgrove<sup>1</sup>, no longer hold RSUs and as such, only Common Shares are considered in their share ownership requirement since January 1, 2023.

The CEO is required to comply with the share ownership policy applicable to him and with the additional retention period that continues for two (2) years following voluntary termination or retirement. All other Canadian, U.S. and UK&I Senior Executives and certain Canadian and U.S. Executives are required to comply with the share ownership policy for one (1) year following voluntary termination or retirement. The objective of post-termination ownership requirements is to further align the interests of the CEO and all Senior Executives, as well as certain Executives, with those of shareholders. Other Executives are required to comply with the share ownership policy until their voluntary termination or retirement (no post-termination ownership requirements).

All NEOs comply with the share ownership policies since the implementation of the requirements, and they have already met their target ownership level except for Mr. Norgrove who is building his share ownership following the RSA Acquisition. Below is a table representing the NEOs share ownership as a multiple of salary and their participation status, as of December 31, 2022.

Named Executive Officer	Target Ownership		Shareholdings as at December 31, 2022				Status	
	Multiple of salary (#)	Multiple of salary (\$)	Common Shares (\$)	Unvested RSUs (\$)	Total Holdings (\$)	Total Holdings (#) <sup>(1)</sup>	Total Holdings as a Multiple of salary	Share Ownership Requirement (SOR)
Charles Brindamour	12.50	16,250,000	72,754,056	2,895,778	75,649,834	388,127	58.19	Met
Louis Marcotte	4.00	2,587,200	5,136,853	401,904	5,538,757	28,417	8.56	Met
T. Michael Miller <sup>(2)</sup>	9.34	10,211,936	13,117,053	2,248,482	25,280,607 <sup>(3)</sup>	129,704	23.12	Met
Ken Norgrove <sup>(4)</sup>	2.50	2,496,196	194	–	194	1 <sup>(5)</sup>	0.00	Not Met
Louis Gagnon	5.70	4,674,000	18,221,941	861,112	19,083,053	97,907	23.27	Met

Based on Intact Financial Corporation's December 30, 2022 closing share price of \$194.91.

<sup>(1)</sup> The total number of holdings is rounded to the nearest whole number.

<sup>(2)</sup> Mr. Miller's base salary of US\$807,500 has been converted to Canadian dollars using the exchange rate as at December 31, 2022, which was 1.35400.

<sup>(3)</sup> Includes an amount equal to 75% of tranche 2 of the 2017 Special Award PSUs as the award has a 75% minimum vesting condition.

<sup>(4)</sup> Mr. Norgrove's base salary of GBP610,000 has been converted to Canadian dollars using the exchange rate as at December 31, 2022, which was 1.63685.

<sup>(5)</sup> Represents Common Shares purchased and granted via the Sharebuild program in 2022 (see [page 119](#) for details).

## Anti-Hedging Policy

The HRC Committee has adopted a policy aligned with the Financial Stability Board's principles for sound compensation practices. The Company's Corporate Disclosure and Insider Trading Policy prohibits insiders, which include all NEOs and Directors, from entering into derivative-based transactions, including hedging techniques under any form that involve, directly or indirectly, securities of Intact. Hedging techniques and other derivative-based transactions, and equity monetization transactions in particular, which allow an investor to transfer part or all of the economic risk and/or return associated with securities, without formally transferring the legal and beneficial ownership of such securities, are strictly prohibited. Examples of such prohibited transactions on the securities of Intact by insiders include, but are not limited to, the entering into of future contracts, short sales, put options, call options and equity swaps.

<sup>1</sup> Mr. Norgrove receives a portion of his STIP in RSUs in view of the Solvency II rules in UK and Europe. For more information, please refer to [page 110](#) of this Circular.

## Clawback Policy and Malus Provisions

Our agreements with our Executives and Senior Executives include provisions that provide for the reimbursement of previously received STIP or LTIP remuneration should the Company discover that an Executive or Senior Executive could or should have been terminated for cause after such payment has been made.

In 2018, IFC expanded its Clawback and Readjustment of Compensation Policy for LTIP participants, to align it more closely with the Financial Stability Board's principles for sound compensation practices and emerging best practices. In the event of misconduct, and whether or not there is a subsequent financial restatement, including fraud, negligence or material non-compliance with legal requirements, in each case for which the participant was terminated for cause or could have been terminated for cause had IFC known of the misconduct at the time of the termination of the LTIP participant's employment, IFC can adjust an LTIP participant's compensation, recoup all variable compensation, including cash bonuses and equity compensation, that have already been paid or vested, as well as cancel unvested long-term incentive awards. The misconduct look-back period is indefinite while the compensation that can be clawed back is limited to that received in the 24 months preceding the date on which the Board of Directors determined misconduct occurred, except in cases where the misconduct contributed to a financial restatement, in which case the clawback period is indefinite.

UK&I LTIP participants are also subject to malus (pre-delivery adjustment) provisions as per their award agreement, and clawback provisions are applicable to Senior Executives. These provisions give the Company the ability to reduce or forfeit awards that have yet to be paid or vest, to delay the payment or vesting date or to amend another form of award or benefit which has yet to be received (malus adjustment). It may also recover sums already paid to participants if it considers it appropriate to do so (clawback).

The circumstances in which malus and clawback may apply are outlined below:

### **Malus adjustment:**

- Material financial misstatement of results for any financial year or the material financial loss/underperformance of a business unit that could have been reasonably risk-managed
- Error or material misstatement leading to an overpayment
- Employee misconduct, including regulatory or other breaches
- Legitimate concerns regarding an employee's conduct, capability or performance
- Actions leading to material reputational damage
- Deterioration in the financial health of the Company leading to severe financial constraint
- Any other situation as the Committee may reasonably determine.

### **Clawback:**

- Material financial loss of a business unit because of circumstances that should reasonably have been risk-managed by the individual
- Material error or financial misstatement of results which has resulted in an overpayment
- Gross or serious employee misconduct.

## Executive Compensation Framework and its Components

The Company's compensation components aim for an optimal balance between fixed and variable pay to encourage participation and behaviour that aligns with the longer-term interests of the Company, of its shareholders and other stakeholders. The following illustrates the executive compensation framework for 2022:

Compensation Element	Total Direct Compensation				Total Indirect Compensation		
	Base Salary	Short-Term Incentive Plan	Long-Term Incentive Plan	Executive Stock Option Plan	Group Benefits	Retirement Benefits	Perquisites
<b>Mission/ Rationale</b>	Pay for the responsibilities and accountabilities of the role, including experience and performance of the individual in the role	Link compensation to a combination of individual, business unit and national financial objectives	Pay for future performance and align rewards with shareholder value creation	<b>Granted on an ad-hoc basis in special circumstances.</b>  Encourage performance and align executive interests with those of shareholders over the mid to long term, through the inclusion of both extended time-based vesting and performance conditioning	Provide health and well-being support	Provide financial security after retirement	Aligned with competitive market practices
<b>Performance Criteria</b>	Individual contribution, competencies and performance	Financial and individual goals  Financial goals vary by region with primary focus on combined ratio	<b>PSUs (Executives and Senior Executives):</b> Based on ROE and/ or Combined ratio of IFC or one of its regions according to the geographic scope of responsibility of the individual  <b>RSUs (Executives):</b> Unrelated to IFC's financial performance	PSOs will vest contingent on both the passage of time and achievement of performance hurdles	Unrelated to performance	Unrelated to performance	Unrelated to performance
<b>Performance Outcome</b>	Salary increase and position within the salary structure	Cash payment  <b>UK&amp;I:</b> a portion of the STIP earned is deferred into RSUs for certain UK&I Senior Executives and Executives	Vesting of share units with settlement in cash or Common Shares (restricted shares for, among others, CEO + Canadian direct reports of the CEO + Oversight Functions and Vice Chairs located in Canada)	PSOs shall be settled in shares issued from treasury through the ESOP	Some benefits increase in proportion to salary	Some benefits increase in proportion to salary	<b>Canadian &amp; UK&amp;I:</b> Value of perquisites increases with salary  <b>U.S.:</b> no perks program
<b>Performance/ Reference Period</b>	Annual	1 year  <b>UK&amp;I:</b> 3-year vesting period for RSUs	3 years (plus 2-year restricted period post-vesting for, among others, CEO + Canadian direct reports of the CEO + Oversight Functions and Vice Chairs located in Canada)	3 – 7 year performance period depending on participant  Each PSO expires on the 10th anniversary of the date of grant	Annual	Career	Annual
<b>Impact on Pay</b>	Career-long	Annual  <b>UK&amp;I:</b> Multi-year for portion deferred into RSUs  <b>Variable pay for performance</b>	Multi-year  <b>Variable pay for performance</b>	Multi-year  <b>Variable pay for performance</b>	Career-long	Career-long	Annual

## Total Direct Compensation Elements

### Base Salary

#### Objective:

- To provide fixed compensation based on the external market as well as internal equity with respect to the role, scope, responsibilities and accountabilities within IFC, and the experience and performance of the individual in the role.

Compensation Element	Type	Audience	Performance	Adjustments Based on
Base salary	Cash	Executives and Senior Executives	Annual	Individual performance and market trends

Base salaries of Senior Executives are reviewed once a year by the HRC Committee. Market data is available for all positions.

Annual salaries for NEOs, effective January 1, 2022, are as follows:

Name	2022 annual base salary
Charles Brindamour	\$1,300,000
Louis Marcotte <sup>(1)</sup>	\$ 646,800
T. Michael Miller <sup>(2)</sup>	\$1,093,355
Ken Norgrove <sup>(3)</sup>	\$ 979,277
Louis Gagnon	\$ 820,000

<sup>(1)</sup> For the purpose of the table above, the annual salary for Mr. Marcotte represents his salary revised on February 7, 2022, when the oversight of the Investor Relations function was added to his responsibilities. His annual salary as of January 1, 2022 was \$616,000.

<sup>(2)</sup> The annual salary for Mr. Miller of US\$807,500 has been converted to Canadian dollars using the exchange rate as of December 31, 2022 of 1.35400.

<sup>(3)</sup> The base salary for Mr. Norgrove of GBP598,269 for the period from January 10, 2022 to December 31, 2022 has been converted to Canadian dollars using the exchange rate as of December 31, 2022 of 1.63685.

### Short-Term Incentive Plan

#### Objective:

- To reward employees who help IFC achieve its business goals
- To attract and retain the talent essential to our success

Compensation Element	Type	Audience	Performance	Adjustments Based on
Short-Term Incentive Plan	Cash <sup>(1)</sup>	Executives and Senior Executives	1 year	Achievement of Company's strategic financial and non-financial objectives, and individual goals

<sup>(1)</sup> Certain UK&I Senior Executives and Executives, including Mr. Norgrove, receive a portion of their STIP in RSUs that automatically vest three (3) years from the year of the grant, in view of the Solvency II rules in UK and Europe which require a substantial portion of variable compensation to be deferred for identified roles.

All Executives and Senior Executives participate in the STIP. Awards are earned on the achievement of the Company's strategic financial and non-financial objectives and the personal performance of individual participants.

Before the beginning of each year, a target incentive opportunity is communicated to each participant, based on the relative contribution of the position to the Company's specific operations, as well as alignment to the market median of the relevant market. This target incentive opportunity is expressed as a percentage of the participant's salary and reflects the competitive practices among Intact's reference market for comparable positions. The target incentive is made up of several components or objectives, and is paid at target for each specific target component, each with its own weight, if met. The target performance criteria are based on a composite of some or all of the following, depending on the particular

position: combined ratio, net operating income per share, direct premiums written growth, leadership, overall performance, and execution of strategic and value-driven priorities. For each component, minimum and maximum levels are also set, allowing a sliding scale to be used, from zero at minimum level to twice the targeted amount at maximum level. Actual performance results can lie between these two levels, in which case the payout is calculated based upon the linear relationship between the minimum and maximum levels.

Financial objectives represent 75% of the weight of the overall target incentive for Senior Executives and Senior Vice Presidents, and 50% of the weight of the overall target incentive for other Executives. Individual performance objectives represent the balance of the weight of the overall target incentive and include non-financial goals aligned with our corporate strategy and our Values, as well as operational goals consistent with the individual's role.

The 2022 STIP targets as a percentage of base salary for the NEOs are as follows:

Name & Position	STIP Minimum (%)	STIP Target (%)	STIP Maximum (%)
Charles Brindamour – Chief Executive Officer, Intact Financial Corporation	0	150	300
Louis Marcotte – Executive Vice President and Chief Financial Officer	0	90	180
T. Michael Miller – CEO, Global Specialty Lines	0	100	200
Ken Norgrove – CEO, UK&I	0	80	160
Louis Gagnon – CEO, Canada	0	100	200

In 2022, the performance metrics used to determine the NEOs' STIP payouts were those of the following groups, depending on the geographical scope of the NEOs' responsibilities:

- Canadian Senior Executives
- Senior Executives with Global Specialty Lines Oversight
- UK&I Senior Executives
- Senior Executives with Global Oversight

The following tables set forth the 2022 performance metrics applicable to each group.

### Canadian Senior Executives

The Canadian Senior Executives' STIP payout is linked to (i) the Company's financial results on growth in Canada relative to set objectives, (ii) the Company's financial results on profitability in Canada relative to the financial results of the 20 largest comparable companies in the Canadian P&C insurance industry, (iii) IFC's performance measured by its net operating income per share and (iv) individual performance. The 2022 STIP payout of Mr. Gagnon was determined using the Canadian Senior Executives group. The 2022 financial performance of the Company, as described in the table below, resulted in a STIP payout of 140.4% for the portion attributable to financial objectives of this group.

	Weight (%)	STIP Minimum (level below which the participant will not receive a bonus amount)	STIP Target (level at which the participant will receive the targeted amount)	STIP Maximum (level at which the participant will receive twice the targeted amount)	2022 Financial Results
<b>Canada Financial Metrics</b>					
IFC's Growth in Canada (in absolute DPW, in billion \$)	16.7	\$13.6	\$14.1	\$14.7	\$14.0
IFC's Profitability in Canada (Combined Ratio outperformance relative to the industry benchmark)	33.3	1.0%	3.0%	5.0%	3.5%
<b>Other Metrics</b>					
IFC Net Operating Income per Share <sup>(1)</sup>	25	–	–	–	–
Individual/Personal Goals	25	–	–	–	–
<b>TOTAL</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

<sup>(1)</sup> We do not disclose our Net Operating Income per Share targets under the STIP since such targets are based on internal forecasts that are not communicated externally.

## Senior Executives with Global Specialty Lines Oversight

The STIP payout of Senior Executives with Global Specialty Lines Oversight is linked to (i) the Company's financial results on profitability in the Global Specialty Lines business relative to set objectives, (ii) IFC's performance measured by its net operating income per share and (iii) individual performance. The 2022 STIP payout of Mr. Miller was determined using the Senior Executives with Global Specialty Lines Oversight group. The 2022 financial performance of the Company, as described in the table below, resulted in a STIP payout of 200% for the portion attributable to financial objectives of this group.

	Weight (%)	STIP Minimum (level below which the participant will not receive a bonus amount)	STIP Target (level at which the participant will receive the targeted amount)	STIP Maximum (level at which the participant will receive twice the targeted amount)	2022 Financial Results
<b>Global Specialty Lines Metrics – Absolute Measure</b>					
IFC's Profitability in the Global Specialty Lines business (Combined Ratio)	50	95.0%	91.0%	87.0%	86.2%
<b>Other Metrics</b>					
IFC Net Operating Income per Share <sup>(1)</sup>	25	–	–	–	–
Individual/Personal Goals	25	–	–	–	–
<b>TOTAL</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

<sup>(1)</sup> We do not disclose our Net Operating Income per Share targets under the STIP since such targets are based on internal forecasts that are not communicated externally.

## UK&I Senior Executives

The UK&I Senior Executives' STIP payout is linked to (i) the Company's financial results on profitability in the UK&I relative to set objectives, (ii) IFC's performance measured by its net operating income per share and (iii) personal/business scorecard performance. The 2022 STIP payout of Mr. Norgrove was determined using the UK&I Senior Executives group. The 2022 financial performance of the Company, as described in the table below, resulted in a STIP payout of 133.3% for the portion attributable to financial objectives of this group.

In 2022, the HRC Committee decided to accelerate the harmonization of the combined ratio calculation methodology for STIP purposes in the UK&I regions so that it aligns with North America starting in 2022 (the result of such harmonization being the normalization of the combined ratio for planned catastrophe losses). The HRC Committee believes this adjustment ensures that the STIP payout takes into consideration financial results that can actually be influenced by management's actions. However, since this change was made during the course of the 2022 performance year, the HRC Committee determined that to the extent that such change would have a negative impact on employees, the previous methodology would be grandfathered for one more year (i.e. for 2022). It further determined that the STIP payout attributable to IFC's Profitability in the UK&I would be capped at 100% should the Company's financial results exceed its target as a result of the normalization for planned catastrophe losses.

	Weight (%)	STIP Minimum (level below which the participant will not receive a bonus amount)	STIP Target (level at which the participant will receive the targeted amount)	STIP Maximum (level at which the participant will receive twice the targeted amount)	2022 Financial Results
<b>UK&amp;I Financial Metrics – Absolute Measure</b>					
IFC's Profitability in the UK&I (Combined Ratio)	50	95.9%	93.4%	90.9%	93.2% <sup>(1)</sup>
<b>Other Metrics</b>					
IFC Net Operating Income per Share <sup>(2)</sup>	25	–	–	–	–
Individual/Personal Goals	25	–	–	–	–
<b>TOTAL</b>	<b>100</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

<sup>(1)</sup> Normalized for planned catastrophe losses.

<sup>(2)</sup> We do not disclose our Net Operating Income per Share targets under the STIP since such targets are based on internal forecasts that are not communicated externally.

## Senior Executives with Global Oversight

A mix of Canadian, UK&I and U.S. financial metrics apply for Senior Executives with global responsibilities. The 2022 STIP payout of Mr. Brindamour and Mr. Marcotte was determined using the Senior Executives with Global Oversight group. The 2022 financial performance of the Company, as described in the table below, resulted in a STIP payout of 141.5% for the portion attributable to financial objectives of this group.

	Weight (%)	STIP Minimum (level below which the participant will not receive a bonus amount)	STIP Target (level at which the participant will receive the targeted amount)	STIP Maximum (level at which the participant will receive twice the targeted amount)	2022 Financial Results
<b>Canada Financial Metrics</b>					
IFC's Growth in Canada (in absolute DPW, in billion \$)	12	\$13.6	\$14.1	\$14.7	\$14.0
IFC's Profitability in Canada (Combined Ratio outperformance relative to the industry benchmark)	23	1.0%	3.0%	5.0%	3.5%
<b>U.S. Financial Metrics – Absolute Measure</b>					
IFC's Profitability in the U.S. (Combined Ratio)	6	95.0%	91.0%	87.0%	89.4% <sup>(1)</sup>
<b>UK&amp;I Financial Metrics – Absolute Measure</b>					
IFC's Profitability in the UK&I (Combined Ratio)	9	95.9%	93.4%	90.9%	93.2% <sup>(1)</sup>
<b>Other Metrics</b>					
IFC Net Operating Income per Share <sup>(2)</sup>	25	–	–	–	–
Individual/Personal Goals	25	–	–	–	–
<b>TOTAL</b>	100	–	–	–	–

<sup>(1)</sup> Normalized for planned catastrophe losses.

<sup>(2)</sup> We do not disclose our Net Operating Income per Share targets under the STIP since such targets are based on internal forecasts that are not communicated externally.

The following table represents the STIP payout for each NEO based on 2022 results that will be paid in the second quarter of 2023:

Name & Title	2022 STIP Target (\$)	2022 Total STIP Result <sup>(1)</sup> (%)	2022 Total STIP (\$)
Charles Brindamour – Chief Executive Officer, IFC	1,950,000	140.4	2,737,020
Louis Marcotte – Executive Vice President & Chief Financial Officer <sup>(2)</sup>	579,454	142.1	823,462
T. Michael Miller – CEO, Global Specialty Lines <sup>(3)</sup>	1,093,355	183	2,008,672
Ken Norgrove – CEO, UK&I <sup>(4)</sup>	779,087	136	1,086,919
Louis Gagnon – CEO, Canada	820,000	136.8	1,121,760

<sup>(1)</sup> For the purpose of the table above, the 2022 Total STIP Result is comprised of 75% financial results of the applicable group and 25% based on results achieved against personal goals and objectives.

<sup>(2)</sup> For the purpose of the table above, the 2022 STIP Target of Mr. Marcotte is based on his annual base salary earned in 2022 (\$643,838), which takes into consideration his salary adjustment effective on February 7, 2022 (see the "Base Salary" section on [page 110](#) for more information).

<sup>(3)</sup> For the purpose of the table above, Mr. Miller's base salary of US\$807,500 has been converted to Canadian dollars using the exchange rate as at December 31, 2022, which was 1.35400. The 2022 Total STIP amount for Mr. Miller has been converted to Canadian dollars using the exchange rate as at the payment date of March 3, 2023, which was 1.35930.

<sup>(4)</sup> For the purpose of the table above, Mr. Norgrove's annual base salary of GBP610,000 has been prorated by days worked (356 days), resulting in a 2022 STIP target of GBP475,967, and converted to Canadian dollars using the exchange rate as at December 31, 2022, which was 1.63685. The 2022 Total STIP amount for Mr. Norgrove has been converted to Canadian dollars using the exchange rate as at the payment date of the upfront cash portion of the STIP of March 24, 2023, which was 1.67912. Fifty percent (50%) of the 2022 Total STIP amount of Mr. Norgrove will be deferred in RSUs, which will be granted in May 2023.



The CEO and other Senior Executives and Executives have certain specific ESG-related goals as part of their individual/personal objectives under the STIP, including employee engagement, diversity, equity and inclusion, climate change initiatives and customer-driven initiatives goals. In addition, the STIP goals of certain Executives and Senior Executives overseeing IIM's operations include specific goals regarding the development and implementation of ESG initiatives within IIM's portfolio management strategy. These goals are directly derived from the Company's strategic objectives. For more information on the alignment of compensation with ESG factors, please see [page 99](#).



## Long-Term Incentive Plan

### Objective:

- To align the rewards of Executives and Senior Executives with IFC shareholder value creation
- To communicate to the investor community that IFC Executives and Senior Executives have a stake in the success of the Company
- To reinforce the pay-for-performance philosophy
- To encourage participants to focus on sustaining high performance levels and growth in shareholder value
- To provide competitive levels of total compensation
- To retain key talent

### Payouts Based on

#### Performance Share Units (PSUs) – For Senior Executives and Executives

##### For Canadian Senior Executives:

IFC's 3-year average ROE relative to the 3-year average ROE of the Weighted Global Benchmark (see [page 117](#) for details). Payouts in the form of Common Shares.

##### For U.S. Senior Executives:

IFC's 3-year average Global Specialty Lines (GSL) Combined Ratio relative to set objectives (50%), as well as IFC's 3-year average ROE relative to the 3-year average ROE of the Weighted Global Benchmark (50%) (see [page 117](#) for details). Payouts in the form of Common Shares.

##### For UK&I Senior Executives:

IFC's 3-year average UK&I Combined Ratio relative to set objectives. Payouts in the form of Common Shares. Starting with the 2023-2025 performance cycle, the UK&I Combined Ratio will account for 50%, with the other 50% based on IFC's 3-year average ROE relative to the 3-year average ROE of the Weighted Global Benchmark.

##### For Executives:

Performance criteria vary depending on the geographic scope of responsibilities of the individual.

#### Restricted Share Units (RSUs) – For certain Executives only

Vesting not linked to performance. Vesting based on passage of time.

Payouts in the form of Common Shares for Canadian and UK&I Executives. Payouts in the form of Common Shares (50%) and cash (50%) for U.S. Executives.

- Canadian and U.S. Senior Executives and Senior Vice Presidents receive their LTIP awards **solely in PSUs** since the 2021-2023 performance cycle. UK&I Senior Executives and Senior Vice Presidents (or equivalent positions) receive their LTIP awards solely in PSUs since the 2022-2024 performance cycle.

## 2019 to 2021 Performance Cycle

On January 1, 2022, the awards made under the LTIP for the 2019 to 2021 performance cycle vested.

- IFC's three (3) year average ROE was 15.8%, and the Weighted Global Benchmark's three (3) year average ROE for that same period was 9.5%. IFC therefore outperformed the industry by 6.3% which, according to the LTIP performance objectives, resulted in a payout of 157.5% of the PSUs allocated in 2019 under the metrics of the LTIP.
- IFC's three (3) year average U.S. Combined Ratio was 92.7% which, according to the LTIP performance objectives, resulted in a payout of 91.3% of the PSUs allocated in 2019 under the U.S. metrics of the LTIP.

The delivery of the final number of Common Shares related to the RSU component occurred on January 6, 2022. The delivery and confirmation of the final number of Common Shares related to the PSU component to participants occurred on February 28, 2022 for participants whose metrics were the U.S. Combined Ratio, and on June 14, 2022 for participants whose metrics were IFC's three (3) year average ROE under this LTIP performance cycle. Participants were entitled to cash dividend payments as of the vesting date, which was January 1, 2022.

## 2020 to 2022 Performance Cycle

On January 1, 2023, the awards made under the LTIP for the 2020 to 2022 performance cycle vested.

- IFC's three (3) year average ROE was 18.5%, and the Weighted Global Benchmark's three (3) year average ROE for that same period is currently estimated<sup>1</sup> at 10.6%. At the time of publication of this Circular, we estimate IFC's outperformance of the industry at 7.9% which, according to the LTIP performance objectives, would result in a payout of 197.5% of the PSUs allocated in 2020 under the metrics of the LTIP.
- IFC's three (3) year average U.S. Combined Ratio was 91.2%<sup>2</sup> which, according to the LTIP performance objectives, resulted in a payout of 120% of the PSUs allocated in 2020 under the U.S. metrics of the LTIP.

The delivery of the final number of Common Shares related to the RSU component of the LTIP occurred on January 9, 2023. The delivery and confirmation of the final number of Common Shares related to the PSU component to participants occurred on March 3, 2023 for participants whose metrics were the U.S. Combined Ratio, and will occur in June 2023 for participants whose metrics were IFC's three (3) year average ROE under this LTIP performance cycle. Participants are entitled to cash dividend payments as of the vesting date, which was January 1, 2023.

<sup>1</sup> Following the RSA Acquisition, the HRC Committee approved the inclusion of the UK&I industry results within the Weighted Global Benchmark, starting in 2021. Since the UK&I industry data is not made available to market participants until May of each year, the final LTIP payout results will be published in our 2024 Management Proxy Circular. The estimated payout results are therefore presented in this Circular.

<sup>2</sup> Normalized for planned catastrophe losses.

The 2022 LTIP framework is described in the following table:

Element	RSUs	PSUs
Shareholder interest alignment	While both PSUs and RSUs align the interests of participants with those of shareholders due to the link between their ultimate value and the Company's Common Share price, PSUs are predominantly used to reward operational excellence while RSUs are used to increase the LTIP's ongoing retention power. Starting with the 2021-2023 award, Canadian and U.S. Senior Executives and Senior Vice Presidents now receive awards composed entirely of PSUs. UK&I Senior Executives and Senior Vice Presidents (or equivalent positions) received an award composed entirely of PSUs starting with the 2022-2024 performance cycle.	
Audience	Certain Executives only	Senior Executives and Executives
Payout range (as a % of the grant award)	100%	0-200%
Term	Three years	Three years
Vesting date for 2022 grants	January 1, 2025	January 1, 2025
Vesting criteria	Automatically vest three (3) years from the year of the grant, provided that the employee stays with the Company. Vesting for RSUs is not linked to IFC's performance.	<p>Based on a specific performance goal determined by the HRC Committee. The Board is authorized to make discretionary adjustments with respect to attainment of performance targets to deal with extraordinary events that materially affect (positively or negatively) the financial results or the fairness of the performance targets.</p> <p><b>For Canadian Senior Executives:</b> Based on the difference between the three-year average ROE of the Company and that of the Weighted Global Benchmark.</p> <p><b>For U.S. Senior Executives:</b> Based on IFC's 3-year average Global Specialty Lines Combined Ratio relative to set objectives (50%) and on the difference between the three-year average ROE of the Company and that of the Weighted Global Benchmark (50%).</p> <p><b>For UK&amp;I Senior Executives:</b> Based on IFC's 3-year average UK&amp;I Combined Ratio relative to set objectives.</p> <p>More information on the 2022 performance measures and their impact on the LTIP payout of Senior Executives can be found on <a href="#">pages 117 to 118</a> of this Circular.</p> <p><b>For Executives:</b> Performance criteria vary depending on the geographic scope of responsibilities of the individual.</p>
Restriction period <sup>(1)</sup>	2 years	2 years
Dividend Equivalents	Units awarded under the LTIP are credited with dividend equivalents on the same basis as dividends declared on the Common Shares.	
Methods of Payments <sup>(2)</sup>	<p>For Canadian and UK&amp;I Senior Executives and Executives, as well as U.S. Senior Executives and certain U.S. Executives, the payment is in the form of Common Shares. The Company has however the right, in its sole discretion, to settle any entitlements of PSUs or RSUs in whole or in part in cash as provided for in the LTIP (instead of Common Shares).</p> <p>The HRC Committee has also adopted an LTIP delivery mechanism for Canadian Senior Executives and certain Executives (which currently excludes participants in the two (2) year post-vesting restricted plan) under which they may elect to have the vested RSUs and PSUs settled in cash rather than Common Shares. The Board of Directors makes a final decision, approving or denying the elections. In order to be eligible for the cash settlement, Canadian Senior Executives and Executives must have accumulated at least four (4) times their annual LTIP target (200% of the minimum share ownership requirement) in IFC shares or unvested RSUs.</p> <p>At the time of delivery, one (1) unit (PSU or RSU) is converted to one (1) Common Share of IFC (these Common Shares are purchased on the secondary market subject to the Company's right, in its sole discretion, to settle any entitlements under PSUs or RSUs in whole or in part in cash as provided for in the LTIP). For those receiving a cash payment, the amount is determined by multiplying the number of units (PSUs and RSUs) by the average closing price of one Common Share during the last 20 days preceding the date of delivery.</p>	
Pricing at time of grant	<p>The number of units allocated to each participant is determined by dividing the economic value, which is a percentage of base salary for Canadian and UK&amp;I Senior Executives and Executives and a fixed dollar amount for U.S. Senior Executives and Executives (except for Mr. Miller whose economic value is a percentage of his base salary and not a fixed dollar amount) (see LTIP payout target table below), by the average value of a Common Share during the last quarter of the most recently completed financial year. The average price of one Common Share during the last quarter of 2021 was \$165.01.</p> <p>The market median long-term incentive practices for comparable positions are considered when determining the size of target individual awards.</p>	

<sup>(1)</sup> Following approval by the HRC Committee and effective since April 2020, a two (2) year post-vesting restriction period applies to, among others, (i) the CEO and the Canadian direct reports of the CEO, (ii) the Oversight Functions and (iii) the Vice-Chairs located in Canada. As such, these participants can elect to (i) receive all Common Shares subject to the additional two (2) year restriction and pay taxes in cash immediately, or (ii) receive a reduced number of Common Shares with the balance used to cover taxes. No cash payment option is available to these participants.

<sup>(2)</sup> Eligible participants made their election in November 2022 for the 2023 deliveries. Elections were reviewed in November 2022 and are irrevocable.

As part of his hiring package, Mr. Norgrove was granted a one-time special LTIP award in the form of PSUs with a target grant date fair value of GBP1,220,000 (the “Special Award PSUs”). The one-time award was made to secure Mr. Norgrove’s service beyond 2026 and offer him a meaningful alignment to the IFC share price and performance leverage to align his compensation with the strategic plan to bring the UK&I business to outperformance, hence with the interest of shareholders. Half of the Special Award PSUs will vest, subject to Mr. Norgrove’s continued employment, on January 1, 2026 and will be delivered on or about April 30, 2026, and the other half will vest on January 1, 2027, with delivery on or about April 30, 2027. Each half respectively will be subject to the UK&I combined ratio performance conditions for the LTIP cycles 2023-2025 and 2024-2026, as determined by the HRC Committee before the beginning of each of the relevant cycles. The Special Award PSUs are subject to a maximum vesting target of 200%.

A total of 429,880 units (355,058 PSUs and 74,822 RSUs) were awarded in 2022 to LTIP participants. The 2022 LTIP targets, expressed as a percentage of salary, and unit awards for NEOs are detailed as follows:

Name & Title	2022 LTIP Target (%)	2022 PSU Awarded (#)	2022 RSU Awarded (#)	2022 Total Award (#)
Charles Brindamour – Chief Executive Officer, IFC	625	49,239	0	49,239
Louis Marcotte – Executive Vice President & Chief Financial Officer	200	7,840	0	7,840
T. Michael Miller – CEO, Global Specialty Lines <sup>(1)</sup>	467	29,288	0	29,288
Ken Norgrove – CEO, UK&I <sup>(2)</sup>	125	20,170	0	20,170
Louis Gagnon – CEO, Canada	285	14,163	0	14,163

<sup>(1)</sup> For the purpose of the table above, Mr. Miller’s LTIP target of US\$3,771,025 has been converted to Canadian dollars using the exchange rate as of the Award date of May 25, 2022, which was 1.28155.

<sup>(2)</sup> For the purpose of the table above, Mr. Norgrove’s LTIP target of GBP762,500 has been converted to Canadian dollars using the exchange rate as of the Award date of May 25, 2022, which was 1.61174. Mr. Norgrove’s Special Award PSUs are included in the above table. His Special Award target of GBP1,220,000 has been converted to Canadian dollars using the exchange rate as of the Special Award date of January 10, 2022, which was 1.72093.

The following sections set forth the performance measures that are applied for the 2022-2024 LTIP performance cycle to determine the payout for the PSU component to Senior Executives.

### Canadian Senior Executives

The performance measure used is IFC’s consolidated three (3) year average ROE relative to the three (3) year average ROE of a Weighted Global Benchmark. The composition of the Weighted Global Benchmark for each year of a performance cycle is reviewed and determined by the HRC Committee. For the 2022 performance year, the composition of the Weighted Global Benchmark is 70% Canadian industry results, 12% U.S. industry results and 18% UK&I industry results. The LTIP payouts of Mr. Brindamour, Mr. Marcotte and Mr. Gagnon are determined in accordance with the metric of this group.

IFC’s three (3) year average ROE versus Industry Average	PSU Payout
8 percentage points of outperformance	200% (maximum)
4 percentage points of outperformance	100% (target)
Equal to industry average	50% (threshold)
Below industry average	0%

### U.S. Senior Executives

The performance measures used are (i) IFC’s three (3) year average Global Specialty Lines Combined Ratio relative to set objectives and (ii) IFC’s consolidated three (3) year average ROE relative to the three (3) year average ROE of the Weighted Global Benchmark as described above. Each performance measure has a weight of 50%. The LTIP payout of Mr. Miller is determined in accordance with the metrics of this group.

IFC’s three (3) year average Global Specialty Lines Combined Ratio (50%)	PSU Payout
Above target by 4 percentage points or above	200% (maximum)
Achievement of target	100% (target)
Below target by 4 percentage points	50% (threshold)
Below target by more than 4 percentage points	0%

IFC's three (3) year average ROE versus Industry Average (50%)	PSU Payout
8 percentage points of outperformance	200% (maximum)
4 percentage points of outperformance	100% (target)
Equal to industry average	50% (threshold)
Below industry average	0%

### UK&I Senior Executives

The performance measure used is IFC's three (3) year average UK&I Combined Ratio relative to set objectives. The LTIP payout of Mr. Norgrove is determined in accordance with the metric of this group. Starting with the 2023-2025 performance cycle, the UK&I Combined Ratio will account for 50% of the weight, with the other 50% based on IFC's 3-year average ROE relative to the 3-year average ROE of the Weighted Global Benchmark.

IFC's three (3) year average UK&I Combined Ratio	PSU Payout
Above target by 4 percentage points or above	200% (maximum)
Achievement of target	100% (target)
Below target by 4 percentage points	50% (threshold)
Below target by more than 4 percentage points	0%

## Executive Stock Option Plan

Following the transformational RSA Acquisition, the HRC Committee had identified the strengthening of retention and alignment among key Senior Executives as a top priority. At the 2021 Annual and Special Meeting of Shareholders of the Company, the shareholders approved a proposition to implement a new Executive Stock Option Plan ("ESOP"). Under the ESOP, Intact executives, as determined from time to time at the sole discretion of the Board of Directors, are eligible to receive awards of options and stock appreciation rights. **Performance stock options (PSOs) under the ESOP are only granted on an ad-hoc basis in special circumstances, and not on an annual basis.** No awards were made in 2022 under the ESOP.

Mr. Brindamour, Mr. Miller and Mr. Gagnon each received a PSO grant in 2021 following the RSA Acquisition. More information on the ESOP and on the PSO grants awarded in 2021 can be found on [pages 131, 133 and 134](#) of this Circular, and in our 2022 Management Proxy Circular.

## Total Indirect Compensation Elements

### Group and Retirement Benefits

#### Objective:

- To guarantee each participant competitive benefits and a retirement income, in order to retain the Company's Executives and Senior Executives.

IFC's Canadian Executives and Canadian Senior Executives benefit from two (2) pension plans: a base plan, which is a defined benefits plan with pensionable earnings to the annual limits allowed by the Canada Revenue Agency; and a supplementary executive retirement plan that is capped to the difference between the limits established by the CRA and the Executive's or Senior Executive's pensionable earnings. Please refer to the Pension Plan and Retirement Benefits section starting on [page 135](#) of this Circular for details on these plans.

No U.S. Executives or Senior Executives participate in any pension plan nor are they eligible to participate in or receive payments under any of the previously terminated or frozen U.S. legacy pension plans.

All U.S. employees (including Executives and Senior Executives) may participate in the qualified Intact USA Retirement Savings Plan. Such plan offers tax advantages, savings incentives and investment options to help employees achieve their financial goals. U.S. employees are immediately eligible for participation on their first day of employment. They may elect to contribute on a pre-tax, after-tax or Roth basis up to 40% of salary. Employees aged 50 or older are also eligible for pre-tax and Roth catch-up contributions. In all cases, IRS limits apply to maximum contribution

amounts. New hires who do not enroll after 60 days are automatically enrolled in pre-tax contributions at 6% of pay, with an automatic 1% increase each April. The default for their investments is the age-appropriate target retirement fund. Employees who are eligible to participate in the plan receive a bi-weekly company contribution of 3% of eligible earnings. Intact USA also makes an annual fixed contribution of 3% of compensation for employees who are active on the last business day of the plan year. Employees who do not participate in the LTIP are also eligible for an annual variable contribution, set at Management discretion, based on financial results that can vary between 0% and 6%, with a target of 3%.

For UK employees (including Executives and Senior Executives), pension benefits take the form of employer contributions to a pension plan, or a full/partial cash allowance in lieu. The UK&I CEO received a taxable pension cash allowance in 2022 totalling 10% of salary. The rate for new UK Senior Executives is 10% of salary, which is aligned to that of other new UK-based employees. The RSA UK defined benefit pension schemes are closed to all new entrants and future accrual.

In terms of Company benefits, Canadian Executives and Senior Executives benefit from the same plan as employees, which provides a number of options so each individual can design the medical, dental, life, disability and other insurance coverage that he or she wants for himself or herself and his or her dependents. U.S. Executives and Senior Executives are entitled to the Intact USA benefits offering, which includes two consumer-driven health plans; one with a Health Reimbursement Account (HRA) and the other with a Health Savings Account (HSA). In addition, Intact USA offers comprehensive dental, prescription drug, vision coverage, life insurance, disability coverage, pre-tax commuter benefits and tuition reimbursement. UK employee benefits typically cover the areas of health and well-being, leave of absence, sickness benefit, insurance and employee discounts on certain insurance products. RSA UK employees including Senior Executives can participate in the Company's flexible benefits program, which provides access to a range of benefits, both Company-funded and others paid for through salary. During the year, the UK&I CEO was provided with medical benefits and life cover. Additionally, UK employees including Senior Executives can participate in tax-advantaged all-employee share plans (Sharesave and Sharebuild). Sharebuild allows employees to purchase shares of IFC with a capped monthly salary deduction and receive one free matching share for every four purchased, subject to a service condition. Sharesave allows employees to contribute a capped monthly amount to a savings account for a three-year period. At the end of this period, employees have the option to purchase shares of IFC at a fixed price. Employees may also take back their saved funds at any time (and lose the right to purchase the shares).

## Perquisites

### Objective:

- To provide Canadian Executives and Senior Executives with a market-competitive group of perquisites that best meet their needs and lifestyle.

The goal of our perquisites is to provide Canadian Executives and Senior Executives with a market-competitive group of perquisites that best meet their needs and lifestyle, including the lease of a company car, wellness-related expenses, deposits in a Health Care Spending Account (HCSA), taxable cash and a comprehensive medical examination. We encourage Executives and Senior Executives eligible for a company car to select vehicles with lower fuel consumption, as well as hybrid and electric vehicles. Except for Mr. Miller (see below), no perquisites are offered to U.S. Executives and Senior Executives.

All of IFC's Canadian Executives and Senior Executives are provided with a taxable allowance equal to 5% of their base salary earned during the year, plus \$7,500. They can either elect to receive a cash allowance or use the allowance through the selection of various perquisites in the program. The perquisite year runs from April 1 to March 31. The eligible base salary for the purpose of calculating the allowance is capped at \$800,000.

Under the previous ownership of Intact USA (previously OneBeacon Insurance Group Ltd.), Mr. Miller had access to a corporate aircraft for personal use as part of his benefits package. This benefit has been maintained under the Company's ownership. The HRC Committee established an annual cap on such personal use of a corporate aircraft at US\$125,000. Other trips are reimbursed by Mr. Miller at their full cost to the Company and are not considered a perquisite. The amount of actual out-of-pocket costs to the Company of the personal flights in 2022 was \$169,250<sup>1</sup> and is included in the Summary Compensation Table on [page 129](#). From time to time, Mr. Miller may take his spouse or other family members with him on a business trip. In this instance, we do not include any amounts for the flight in the Summary Compensation Table because the additional passenger(s) do not increase the aggregate incremental cost of the flight.

UK&I Senior Executives are provided with a cash car allowance, or participation in a car ownership scheme. The benefit provision reflects the local market and is set with reference to a sliding scale that takes into account salary.

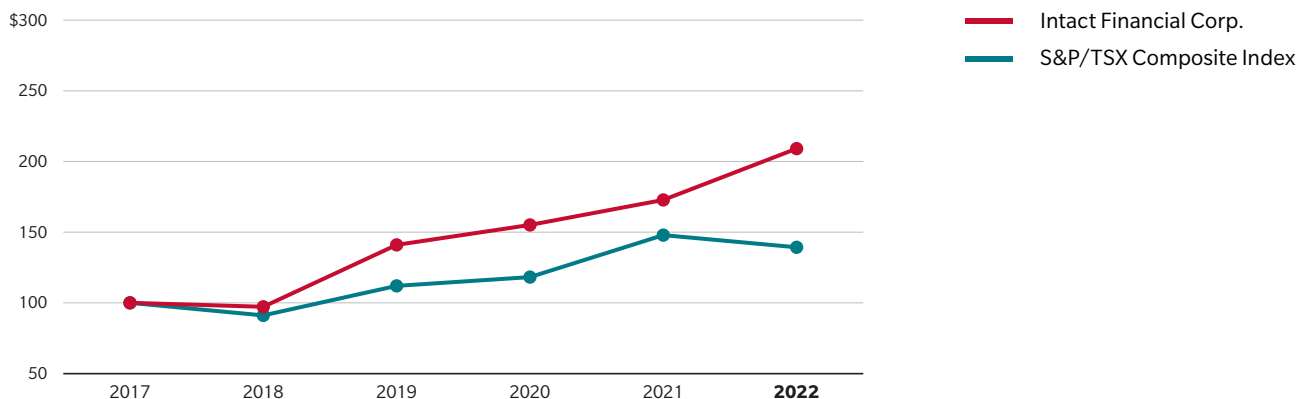
<sup>1</sup> The actual amount for 2022 was converted to Canadian dollars using the exchange rate as at December 31, 2022 of 1.35400.

## Pay-for-Performance Linkages

### Total Shareholder Return Performance

The Company's performance-based compensation is intended to align the objectives of executives with those of the Company and the long-term interests of shareholders. To ensure such alignment, the short-term and long-term incentives for Executives and Senior Executives are directly linked to the achievement of the Company's financial results, measured by specific metrics. See [pages 110 to 118](#) for more information on the performance metrics applied under the STIP and LTIP for our Canadian, U.S., and UK&I Executives and Senior Executives.

The following graph compares the total cumulative return of \$100 invested in Common Shares of the Company with the total cumulative return of the S&P/TSX Composite Index for the 5-year period from December 31, 2017 through December 31, 2022, assuming the reinvestment of dividends. The Company's total shareholder return (including dividends) for 2022 of 21.00% was higher than the S&P/TSX Composite Index's total return of -5.81%. Over a five-year period Intact's performance is 50.10% higher than the Index.



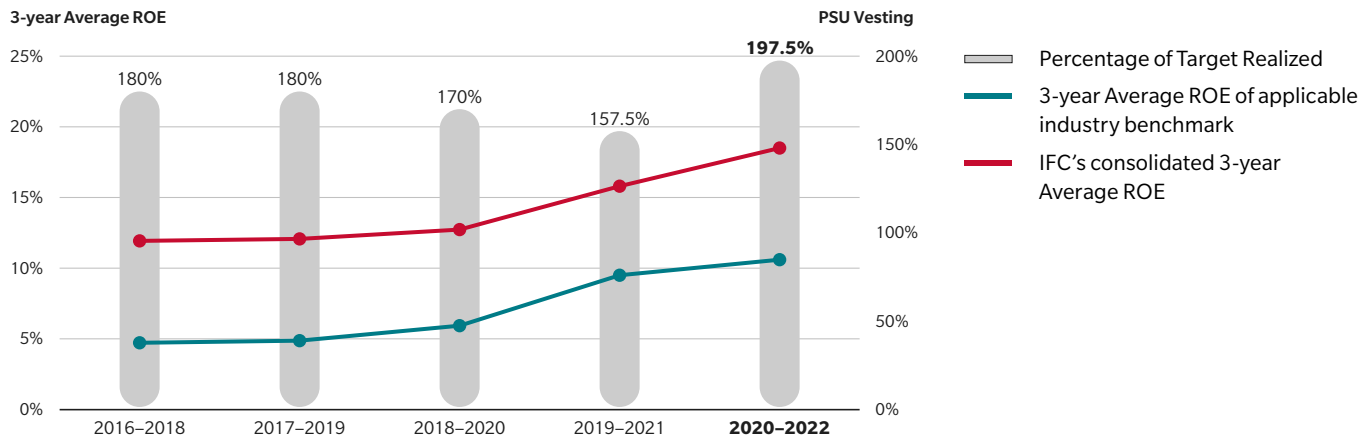
Year Ending December 31	2017	2018	2019	2020	2021	2022
Intact Financial Corp.	100.0	97.2	141.0	155.1	172.8	209.1
S&P/TSX Composite Index	100.0	91.1	112.0	118.2	147.9	139.3

## Return on Equity (ROE) for LTIP calculation

One of the key goals of the Company is to consistently outperform its P&C industry peers.

Following the RSA Acquisition, the HRC Committee approved the inclusion of the UK&I industry results within the Weighted Global Benchmark, starting in 2021. Since the UK&I industry data is not made available to market participants until May of each year, final LTIP payout results will therefore be published in our 2024 Management Proxy Circular. The payout of the 2020-2022 performance cycle is currently estimated at 197.5%, based on an IFC three-year average ROE of 18.5% compared to the Weighted Global Benchmark's average for that same period estimated at 10.6%, which equals an outperformance of 7.9%.

The graph below shows how Canadian Senior Executives' LTIP vesting is above target when the Company's three (3) year average ROE exceeds that of the Weighted Global Benchmark by more than 4%.



3-year Average ROE Cycles Vested on:	2016-2018 Jan 1, 2019	2017-2019 Jan 1, 2020	2018-2020 Jan 1, 2021	2019-2021 Jan 1, 2022	2020-2022 Jan 1, 2023
IFC's consolidated 3-year Average ROE	11.93%	12.07%	12.73%	15.80%	18.5%
Weighted Global Benchmark's 3-year average ROE	4.72%	4.87%	5.93%	9.5%	10.6%
Percentage Points Above/Below Benchmark	+7.2%	+7.2%	+6.8%	+6.3%	+7.9%
PSU Vesting	180%	180%	170%	157.5%	197.5%



## Cost of Management Ratio

The table below illustrates the cost of management ratio for the last three (3) fiscal years, representing the NEOs total compensation as a percentage of the adjusted net income to common shareholders for each of these years. The cost of management ratio shows how the Company's financial performance compares to the compensation awarded to the Company's NEOs.

The NEOs' total compensation includes salary, share-based awards, option-based awards, annual incentive plans, pension value and all other compensation granted to the Named Executive Officers reported in the Company's Management Proxy Circular for the last three (3) years.

Non-GAAP	2022	2021 <sup>(1)</sup> , (2)	2020 <sup>(2)</sup>
NEOs total compensation (in \$ millions)	\$34.4	\$50.1	\$26.1
Adjusted Net Income to common shareholders (in \$ millions)	\$2,789	\$2,486	\$1,213
Cost of management ratio (%)	1.23%	2.02%	2.15%
			3-year average: 1.80%

<sup>(1)</sup> The significant increase in 2021 is largely due to the introduction of the ESOP and the PSO grants in the context of the RSA Acquisition given that the full fair value of the awards has been included in 2021 despite a vesting period staggered over a very long term

<sup>(2)</sup> The NEOs' total compensation and cost of management ratios for 2021 and 2020 have been revised from last year's Management Proxy Circular disclosure, because the pension values for Mr. Brindamour, Mr. Marcotte and Mr. Gagnon in respect of the years 2021 and 2020 have been revised to reflect their actual salary rate and 25% of their maximum STIP payout in effect on the following January 1. Please refer to note (7) under the Summary Compensation Table on [page 130](#) for more details.

## Non-GAAP Financial measures in STIP and LTIP Calculations

We use non-GAAP financial measures and ratios to assess the Company's performance, and as such have aligned the metrics used for the purpose of STIP and LTIP calculations. Non-GAAP financial measures and ratios do not have standardized meanings prescribed by IFRS (or GAAP) and may not be comparable to similar measures used by other companies in our industry.

Measures and ratios used for the STIP compensation include direct premiums written (DPW), combined ratio and NOIPS, which may differ from the measures used in the MD&A to be comparable to the industry.

For the Statement on Executive Compensation included in this Circular and for industry comparison purposes, IFC's ROE used for LTIP calculation corresponds to IFC's adjusted return on equity (AROE), which excludes the impact of acquisition-related items. We believe this measure is more comparable to the industry. The NOIPS and combined ratios for the U.S. and the UK&I used in the STIP calculations, as well as the 3-year average combined ratio used for the U.S. LTIP calculation, are normalized for catastrophe losses.

The definition of non-GAAP financial measures and ratios used in the Company's MD&A, and the reconciliation to the most comparable GAAP measures can be found in Section 36 – Non-GAAP and other financial measures of our MD&A for the year ended December 31, 2022, available on SEDAR. These measures are also defined in the glossary available in the "Investors" section of our website at [www.intactfc.com](http://www.intactfc.com).

## 7.3 CEO Compensation



### Charles Brindamour

#### Chief Executive Officer, Intact Financial Corporation

Mr. Brindamour's key areas of responsibility include the establishment of, in consultation with Management and the Board of Directors, the purpose, Values and long-term objectives and vision of the Company, as well as its strategies and strategic priorities. He oversees the development of guidelines and practices relating to the human resources of the Company, including with respect to employee engagement and well-being. As Chief Executive Officer, Mr. Brindamour is responsible for the development and implementation of the strategic plan and corporate objectives of the Company, including the establishment, in consultation with Management, the Board of Directors and the Enterprise Risk Committee, of the risk appetite framework. He establishes appropriate annual and longer-term financial objectives and is responsible for meeting these objectives and ensuring reliable mechanisms are in place for asset protection and effective control of operations. Mr. Brindamour ensures the Company has a robust succession plan in place for the executive team and his direct reports, and is responsible for developing and implementing policies and programs related to succession planning, talent development and management development. The Chief Executive Officer also ensures close communication with the Board of Directors and its committees and keeps the Directors informed of the important aspects of the status and development of the Company, and facilitates the Board of Directors' governance, composition and committee structure.

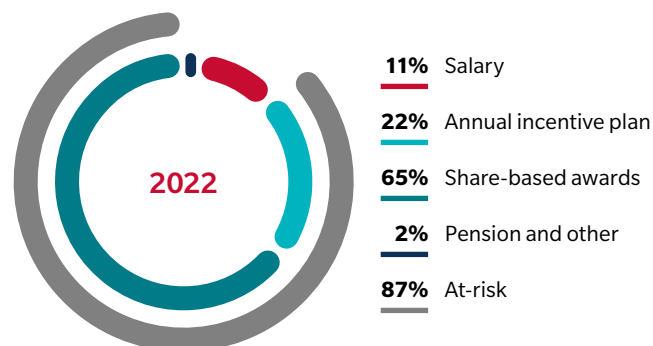
#### Senior Executive Share Ownership Requirement

2x Annual LTIP target in Common Shares

**Met**

Actual Pay Mix	2022 (\$)	2021 (\$)	2020 (\$)
Salary <sup>(1)</sup>	1,300,000	1,284,100	1,261,000
<b>At-Risk Compensation</b>			
Annual Incentive Plans	2,737,020	2,180,344	2,388,610
Share-based Awards	8,125,000	7,800,000	6,305,000
Option-based Awards	–	7,800,000 <sup>(2)</sup>	–
Total At-Risk Compensation	10,862,020	17,780,344	8,693,610
Pension & Other Compensation <sup>(3)</sup>	257,716	1,848,604	115,451
Total Compensation	12,419,736	20,913,048	10,070,061

#### At-Risk Compensation



<sup>(1)</sup> The salaries indicated for 2022, 2021 and 2020 represent the base salary earned by Mr. Brindamour for each financial year. The salaries actually paid during the 2022, 2021 and 2020 financial years differ slightly from the figures indicated in the table due to the timing and number of pay periods during each year and the payment of the first days of the first pay period of the year at the previous year salary rate. For more information, please refer to note (3) under the Summary Compensation Table on [page 130](#).

<sup>(2)</sup> Reflects the PSO awards granted in the context of the RSA Acquisition, which when notionally amortized over the seven-year vesting period, equates to \$1,114,286 in additional compensation per year. 2021 Total Compensation calculated using the amortized PSO amount would be \$13,021,390.

<sup>(3)</sup> Revised year-end 2021 and year-end 2020 Defined Benefits values. Please refer to note (7) under the Summary Compensation Table on [page 130](#) for more details. The amount for 2022 includes the costs of certain expenses reimbursed by the Company related to Mr. Brindamour's frequent travel to the UK and the amount of his taxable allowance. Please refer to note (8) under the Summary Compensation Table on [page 130](#) for more details.

## 2022 Look-Back Table

One of the HRC Committee's priorities is to ensure that pay is aligned with shareholders' interests and that employees whose impact on corporate results is the greatest have total compensation packages that are the most sensitive to corporate performance over the short as well as the long term. The table below illustrates the alignment of Mr. Brindamour's pay with the Company's performance since he became CEO of the Company on January 1, 2008.

Year	CEO			Value of \$100			
	Total Direct Compensation Awarded <sup>(1)</sup>	Realized/Realizable Total direct Compensation <sup>(2)</sup>	Three-Year Period	CEO <sup>(3)</sup>	Shareholder Value over Three-Year Period <sup>(4)</sup>	Tenure period	Shareholder Value over CEO Tenure <sup>(5)</sup>
2008	\$ 1,865,926	\$ 1,357,575	01/01/08 to 12/31/10	\$ 73	\$ 142	01/01/08 to 12/31/08	\$ 83
2009	\$ 2,248,000	\$ 5,491,342	01/01/09 to 12/31/11	\$ 244	\$ 204	01/01/08 to 12/31/09	\$ 101
2010	\$ 3,338,836	\$ 6,877,026	01/01/10 to 12/31/12	\$ 206	\$ 190	01/01/08 to 12/31/10	\$ 142
2011	\$ 3,590,194	\$ 7,144,499	01/01/11 to 12/31/13	\$ 199	\$ 148	01/01/08 to 12/31/11	\$ 168
2012	\$ 3,987,500	\$ 5,700,087	01/01/12 to 12/31/14	\$ 143	\$ 155	01/01/08 to 12/31/12	\$ 191
2013	\$ 4,191,371	\$ 5,638,990	01/01/13 to 12/31/15	\$ 135	\$ 148	01/01/08 to 12/31/13	\$ 211
2014	\$ 4,882,259	\$ 7,101,879	01/01/14 to 12/31/16	\$ 145	\$ 149	01/01/08 to 12/31/14	\$ 261
2015	\$ 5,509,117	\$ 7,371,532	01/01/15 to 12/31/17	\$ 134	\$ 135	01/01/08 to 12/31/15	\$ 283
2016	\$ 5,904,424	\$ 8,594,466	01/01/16 to 12/31/18	\$ 146	\$ 121	01/01/08 to 12/31/16	\$ 314
2017	\$ 6,414,085	\$ 11,089,920	01/01/17 to 12/31/19	\$ 173	\$ 158	01/01/08 to 12/31/17	\$ 353
2018	\$ 8,041,509	\$ 14,543,237	01/01/18 to 12/31/20	\$ 181	\$ 155	01/01/08 to 12/31/18	\$ 343
2019	\$ 8,757,349	\$ 16,873,394	01/01/19 to 12/31/21	\$ 193	\$ 178	01/01/08 to 12/31/19	\$ 497
2020	\$ 9,954,610	\$ 18,846,168	01/01/20 to 12/31/22	\$ 189	\$ 148	01/01/08 to 12/31/20	\$ 547
2021	\$ 19,064,444 <sup>(6)</sup>	\$ 27,413,820 <sup>(6)</sup>	01/01/21 to 12/31/22	\$ 144	\$ 135	01/01/08 to 12/31/21	\$ 609
2022	\$ 12,162,020	\$ 13,634,193	01/01/22 to 12/31/22	\$ 112	\$ 121	01/01/08 to 12/31/22	\$ 738
Average over Period				\$ 161	\$ 153		

<sup>(1)</sup> Includes salary, paid STIP and LTIP awarded during the year of service. For 2021 this includes the PSOs that were granted to Mr. Brindamour in the context of the RSA Acquisition.

<sup>(2)</sup> Includes salary, paid STIP, actual PSU and RSU payouts, exercised options as well as the value, as of December 31, 2022, of unvested PSUs, unvested RSUs and unexercised options related to the year of service.

<sup>(3)</sup> Represents the realizable value for each \$100 awarded in total direct compensation for the year of service.

<sup>(4)</sup> Represents, as of the last day of the three-year period indicated, the cumulative value of a \$100 investment in shares made on the first trading day of such period, assuming reinvestment of dividends.

<sup>(5)</sup> Represents, as of the last day of the tenure period indicated, the cumulative value of a \$100 investment in shares made on January 1, 2008 to the end of the period indicated, assuming reinvestment of dividends.

<sup>(6)</sup> Includes the special one-time performance stock options awarded to Mr. Brindamour in connection with the RSA Acquisition.

## 7.4 Other NEO Compensation



### Louis Marcotte

#### Executive Vice President & Chief Financial Officer

The Chief Financial Officer provides financial and business leadership and perspective to Senior Management and to the Board of Directors. He actively participates in the crafting and evolution of the corporate strategy and establishes an annual and a three-year financial plan aligned with the Company's strategic plan and assesses financial performance against that plan. He promotes strong governance and financial control and oversees the adoption of appropriate policies and procedures to ensure completeness and accuracy of financial statements, management discussion and analysis and regulatory financial returns. Mr. Marcotte evaluates and optimizes the Company's capital position and sources of funding within the Company's regulatory and rating agency framework and ensures investments are properly structured and executed to deliver the expected returns, to maintain the Company's financial strength and to respect regulatory requirements. Oversight of the Company's Investor Relations function and oversight of the Finance function in Canada were added to Mr. Marcotte's responsibilities in 2022 and March 2023 respectively.

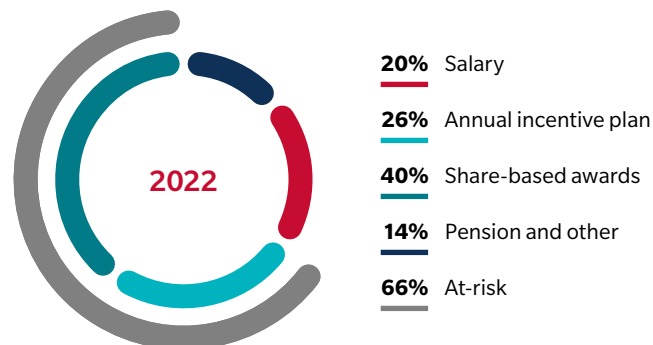
#### Senior Executive Share Ownership Requirement

2x Annual LTIP target in Common Shares

**Met**

Actual Pay Mix	2022 (\$)	2021 (\$)	2020 <sup>(1)</sup> (\$)
Salary <sup>(2)</sup>	643,838	555,677	500,000
<b>At Risk Compensation</b>			
Annual Incentive Plans	823,462	593,740	849,150
Share-based Awards	1,293,600	1,188,000	875,000
Option-based Awards	–	–	–
Total At-Risk Compensation	2,117,062	1,781,740	1,724,150
Pension & Other Compensation <sup>(3)</sup>	441,777	818,371	101,207
Total Compensation	3,202,677	3,155,788	2,325,357

#### At-Risk Compensation



<sup>(1)</sup> Mr. Marcotte was granted a special cash award of \$250,000 in 2020, in recognition of his valued role and contribution related to the offer made by the Company, together with Tryg A/S, to acquire RSA Insurance Group plc announced in 2020. The special cash award is included in the Annual Incentive Plans amount for 2020.

<sup>(2)</sup> The salaries indicated for 2022, 2021 and 2020 represent the base salary earned by Mr. Marcotte for each financial year. The salaries actually paid during the 2022, 2021 and 2020 financial years differ slightly from the figures indicated in the table due to the timing and number of pay periods during each year and the payment of the first days of the first pay period of the year at the previous year salary rate. For more information, please refer to note (3) under the Summary Compensation Table on [page 130](#).

<sup>(3)</sup> Revised year-end 2021 and year-end 2020 Defined Benefits values. Please refer to note (7) under the Summary Compensation Table on [page 130](#) for more details. The amount for 2022 includes the costs of certain expenses reimbursed by the Company related to Mr. Marcotte's frequent travel to the UK and the amount of his taxable allowance. Please refer to note (8) under the Summary Compensation Table on [page 130](#) for more details.



## T. Michael Miller

### Chief Executive Officer, Global Specialty Lines

The Chief Executive Officer, Global Specialty Lines is primarily responsible for the profitability and growth of Intact Insurance Specialty Solutions, the Company's specialty insurance business. Mr. Miller assumed this role following the Company's acquisition of OneBeacon in September 2017 and is responsible for developing the strategies, approaches and plans for profitability, growth and the development in general of the Company's specialty line of business.

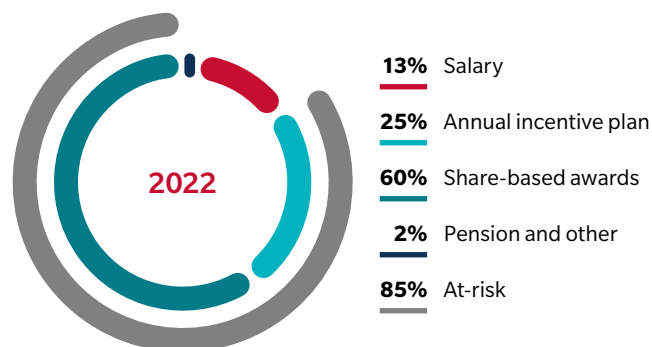
#### Senior Executive Share Ownership Requirement

2x Annual LTIP target in Common Shares

**Met**

Actual Pay Mix	2022 <sup>(1)</sup> (\$)	2021 <sup>(1)</sup> (\$)	2020 <sup>(1)</sup> (\$)
Salary <sup>(2)</sup>	1,093,355	990,322	954,075
<b>At-Risk Compensation</b>			
Annual Incentive Plans	2,008,672	1,384,362	1,366,298
Share-based Awards	4,832,757	4,578,779	4,895,100
Option-based Awards	–	4,270,000 <sup>(3)</sup>	–
Total At-Risk Compensation	6,841,429	10,233,141	6,261,398
Pension & Other Compensation	186,900	174,148	169,952
Total Compensation	8,121,684	11,397,611	7,385,425

### At-Risk Compensation



<sup>(1)</sup> Compensation for Mr. Miller for 2022, 2021 and 2020 has been converted to Canadian dollars. Please see the Summary Compensation Table on [page 129](#) for more details.

<sup>(2)</sup> The salaries indicated for 2022, 2021 and 2020 represent the base salary earned by Mr. Miller for each financial year. The salaries actually paid during the 2022, 2021 and 2020 financial years differ slightly from the figures indicated in the table due to the timing and number of pay periods during each year and the payment of the first days of the first pay period of the year at the previous year salary rate. For more information, please refer to note (3) under the Summary Compensation Table on [page 130](#).

<sup>(3)</sup> Reflects the PSO award granted in the context of the RSA Acquisition, which when notionally amortized over the 3-year vesting period, equates to \$1,423,333 in additional compensation per year. Total Compensation in 2021 calculated using the amortized PSO amount would be \$8,550,944.



## Ken Norgrove

### Chief Executive Officer, UK&I

The Chief Executive Officer, UK&I is responsible for all UK-based business entities, in addition to overseeing all other non-North American entities forming part of the UK&I segment (Ireland and Luxembourg). He provides leadership in the development and implementation of the UK&I strategic plan in collaboration with the UK&I board, ensures appropriate risk management and development of the segment in all markets in which it operates.

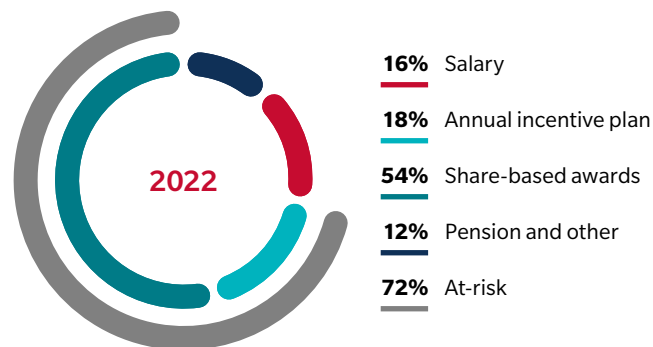
### Senior Executive Share Ownership Requirement

2x Annual LTIP target in Common Shares

**Not Met**

Actual Pay Mix	2022 (\$)	2021 (\$)	2020 (\$)
Salary <sup>(1)</sup>	979,277	–	–
<b>At-Risk Compensation</b>			
Annual Incentive Plans	1,086,919	–	–
Share-based Awards <sup>(2)</sup>	3,328,486	–	–
Option-based Awards	–	–	–
Total At-Risk Compensation	4,415,405 <sup>(2)</sup>	–	–
Pension & Other Compensation <sup>(3)</sup>	735,157	–	–
Total Compensation <sup>(2)</sup>	6,129,838	–	–

### At-Risk Compensation



<sup>(1)</sup> Compensation for Mr. Norgrove for 2022 has been converted to Canadian dollars. Please see the Summary Compensation Table on [page 129](#) for more details. Salary and annual incentive plans for Mr. Norgrove have been prorated for the period from January 10, 2022 to December 31, 2022.

<sup>(2)</sup> Share-based award amount for Mr. Norgrove includes his Special Award PSUs, valued at GBP1,220,000. Please see [page 117](#) for more details on the Special Award PSUs.

<sup>(3)</sup> The amount for 2022 includes relocation benefits and related gross-ups paid to Mr. Norgrove in 2022 to provide support in relation to his relocation from Denmark to the UK, a car allowance, as well as pension cash allowance. Please refer to note (8) under the Summary Compensation Table on [page 130](#) for more details.



## Louis Gagnon

### Chief Executive Officer, Canada

The Chief Executive Officer, Canada is responsible for all Canadian-based business entities (Intact Insurance, belairdirect, RSA Canada, Johnson Corporation, Anthony Insurance, BrokerLink and Intact Public Entities), in addition to overseeing Personal Lines (including the Company's "Intact Prestige" division), Commercial Lines, Marketing functions, and the Company's venture investments. He provides leadership in the development and implementation of strategic plans, ensures appropriate risk management and monitors Company policies with respect to market conduct, customer relations and people management.

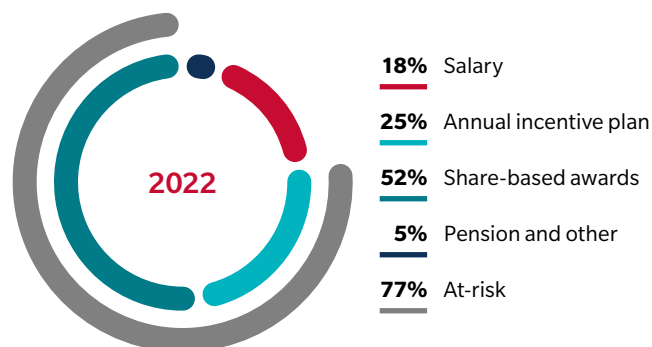
### Senior Executive Share Ownership Requirement

2x Annual LTIP target in Common Shares

**Met**

Actual Pay Mix	2022 (\$)	2021 (\$)	2020 (\$)
Salary <sup>(1)</sup>	820,000	791,461	750,000
<b>At-Risk Compensation</b>			
Annual Incentive Plans	1,121,760	916,863	1,108,406
Share-based Awards	2,337,000	2,255,000	1,875,000
Option-based Awards	–	4,000,000 <sup>(2)</sup>	–
Total At-Risk Compensation	3,458,760	7,171,863	2,983,406
Pension & Other Compensation <sup>(3)</sup>	243,730	546,223	204,072
Total Compensation	4,522,490	8,509,547	3,937,478

### At-Risk Compensation



<sup>(1)</sup> The salaries indicated for 2022, 2021 and 2020 represent the base salary earned by Mr. Gagnon for each financial year. The salaries actually paid during the 2022, 2021 and 2020 financial years differ slightly from the figures indicated in the table due to the timing and number of pay periods during each year and the payment of the first days of the first pay period of the year at the previous year salary rate. For more information, please refer to note (3) under the Summary Compensation Table on [page 130](#).

<sup>(2)</sup> Reflects the PSO award granted in the context of the RSA Acquisition, which when notionally amortized over the 5-year vesting period, equates to \$800,000 in additional compensation per year. Total Compensation in 2021 calculated using the amortized PSO amount would be \$5,307,875.

<sup>(3)</sup> Revised year-end 2021 and year-end 2020 Defined Benefits values. Please refer to note (7) under the Summary Compensation Table on [page 130](#) for more details.

## 7.5 Summary Compensation Table

Name and Principal Position	Year	Salary (\$) <sup>(3)</sup>	Share-based Awards (\$) <sup>(4)</sup>	Option-based Awards (\$) <sup>(5)</sup>	Annual Incentive Plans (\$) <sup>(6)</sup>	Pension Value (\$) <sup>(7)</sup>	All Other Compensation (\$) <sup>(8)</sup>	Total Compensation (\$)
Charles Brindamour	2022	1,300,000	8,125,000	0	2,737,020	108,113	149,603	12,419,736
Chief Executive Officer, IFC	2021	1,284,100	7,800,000	7,800,000	2,180,344	1,848,604	0	20,913,048
	2020	1,261,000	6,305,000	0	2,388,610	115,451	0	10,070,061
Louis Marcotte	2022	643,838	1,293,600	0	823,462	362,714	79,063	3,202,677
Executive Vice President & Chief Financial Officer	2021	555,677	1,188,000	0	593,740	818,371	0	3,155,788
	2020	500,000	875,000	0	849,150	101,207	0	2,325,357
T. Michael Miller <sup>(1)</sup>	2022	1,093,355	4,832,757	0	2,008,672	17,650	169,250	8,121,684
CEO, Global Specialty Lines	2021	990,322	4,578,779	4,270,000	1,384,362	16,085	158,063	11,397,611
	2020	954,075	4,895,100	0	1,366,298	16,813	153,139	7,385,425
Ken Norgrove <sup>(2)</sup>	2022	979,277	3,328,486	0	1,086,919	0	735,157	6,129,838
CEO, UK&I	2021	–	–	–	–	–	–	–
	2020	–	–	–	–	–	–	–
Louis Gagnon	2022	820,000	2,337,000	0	1,121,760	243,730	0	4,522,490
CEO, Canada	2021	791,461	2,255,000	4,000,000	916,863	546,223	0	8,509,547
	2020	750,000	1,875,000	0	1,108,406	204,072	0	3,937,478

<sup>(1)</sup> Compensation for Mr. Miller has been converted to Canadian dollars using the following exchange rates:

		Exchange rate
2022	Salary	1.35400 (as at December 31, 2022)
	Share-based Awards	1.28155 (as at the time of grant of the 2022–2024 LTIP)
	Annual Incentive Plans	1.35930 (as of the date of payment of the STIP on March 3, 2023)
	All Other Compensation	1.35400 (as at December 31, 2022)
2021	Salary	1.2645 (as at December 31, 2021)
	Share-based Awards	1.2142 (as at the time of grant of the 2021–2023 LTIP)
	Annual Incentive Plans	1.2685 (as of the date of payment of the STIP on March 3, 2022)
	All Other Compensation	1.2645 (as at December 31, 2021)
2020	Salary	1.27210 (as at December 31, 2020)
	Share-based Awards	1.3986 (as at the time of grant of the 2020–2022 LTIP)
	Annual Incentive Plans	1.2663 (as of the date of payment of the STIP on March 4, 2021)
	All Other Compensation	1.27210 (as at December 31, 2020)

<sup>(2)</sup> Compensation for Mr. Norgrove has been converted to Canadian dollars using the following exchange rates:

		Exchange rate
2022	Salary	1.63685 (as at December 31, 2022)
	Share-based Awards	1.61174 (as at the time of the grant of the 2022–2024 LTIP) and 1.72093 (as at the time of the grant of the Special Award PSUs)
	Annual Incentive Plans	1.67912 (as of the date of payment of the upfront cash portion of the STIP on March 24, 2023)
	All Other Compensation	1.63685 (as at December 31, 2022)



- (3) The salaries reported in the Summary Compensation Table are the base salaries earned in the 2022, 2021 and 2020 financial years. Actual amounts paid during these financial years differ from the figures indicated in the table due to the timing and number of pay periods during each year and to the payment of the first days of the first pay period of the year at the previous year salary rate. For Mr. Norgrove, base salary of GBP610,000 is prorated for the period of employment with Intact since January 10, 2022 and converted to Canadian dollars using the exchange rate indicated in note (2) above. Actual amounts were paid to Mr. Norgrove in GBP. Actual amounts were paid to Mr. Miller in U.S. dollars and converted to Canadian dollars using the exchange rate indicated in note (1) above.
- In 2021, OSFI announced a moratorium on executive compensation for the banking and financial services industry. Although IFC was not subject to this moratorium as a non-regulated company, its Canadian federally incorporated insurance subsidiaries were subject to it and the Company decided to apply it for the CEO and his direct reports. As such, salaries were frozen as of January 1, 2021. With the closing of the RSA acquisition, these executives' breadth and scope of responsibility increased. Base salaries were therefore reviewed in Q2 of 2021 and revised compensation programs took effect as of June 1, 2021.
- (4) In terms of share-based compensation, the NEOs were awarded a number of PSUs for the financial year 2022 under the LTIP. Each NEO receives an economic value equivalent to a percentage of their base salary. These percentages are determined based on market trends and individual merit. Please refer to [page 117](#) for individual LTIP targets and the number of PSUs into which this translates. In 2022, Mr. Norgrove was also granted Special Award PSUs, valued at GBP1,220,000.
- (5) In terms of option-based compensation, Mr. Brindamour, Mr. Miller and Mr. Gagnon were awarded a number of PSOs for the financial year 2021 under the ESOP in the context of the RSA Acquisition. Each received an economic value at the date of grant as shown in the Summary Compensation Table above, reflecting the number of stock options awarded multiplied by the grant date fair value of the PSO. The grant date fair value is calculated using the Black-Scholes stock option valuation methodology with inputs as follows: (i) dividend yield 2.05%; (ii) expected share price volatility 18.23%; (iii) risk-free interest rate 1.53%; (iv) option term of 10 years; and (v) a performance discount applied based on the simulated probability, using a Monte Carlo simulation methodology, of achieving the specific performance hurdles applicable to each of Mr. Brindamour's, Mr. Miller's and Mr. Gagnon's grants. These grants are worth \$1,114,286, \$1,423,333 and \$800,000 respectively, per year, when amortized over the three to seven (3-7) year vesting periods. See the Outstanding Share-Based Awards table below for more details on these grants.
- (6) Annual incentive plans are comprised of the STIP. The amounts disclosed in the Summary Compensation Table for 2022 are the annual STIP awards to be paid in the second quarter of 2023 for the performance year 2022. The 2022 STIP payment for Mr. Miller was US\$1,477,725 and was paid on March 3, 2023. The 2022 STIP payment for Mr. Norgrove was GBP647,315 and the upfront cash portion of the STIP was paid on March 24, 2023, with the remainder deferred in RSUs. The amounts disclosed in the Summary Compensation Table for 2021 are the annual STIP awards paid in the second quarter of 2022 for the performance year 2021. The 2021 STIP payment for Mr. Miller was US\$1,091,639 and was paid on March 3, 2022. The amounts disclosed in the Summary Compensation Table for 2020 are the annual STIP awards paid in the second quarter of 2021 for the performance year 2020, and also include for Mr. Marcotte his special cash award of \$250,000 received in recognition of his valued role and contribution related to the offer made by the Company, together with Tryg A/S, to acquire RSA Insurance Group plc announced in 2020. The 2020 STIP payment for Mr. Miller was US\$1,078,869 and was paid on March 4, 2021. Actual amounts paid in U.S. dollars to Mr. Miller and in GBP to Mr. Norgrove under the annual incentive plans were converted to Canadian dollars using the applicable exchange rate indicated in notes (1) and (2) above.
- (7) The pension value disclosed for each NEO is the compensatory value of registered and non-registered defined benefits plans. The compensatory value includes the service cost, net of employee contributions, if any, plus differences between actual and estimated earnings, and any additional changes that have a retroactive impact. The pension values for Mr. Brindamour, Mr. Marcotte and Mr. Gagnon in respect of the years 2021 and 2020 have been revised to reflect their actual salary rate and 25% of their maximum STIP payout in effect on the following January 1. In previous years, base pay in the year following the measurement date was projected from the prior year using the IAS 19 salary increase assumption and the maximum STIP payout was assumed unchanged from the prior year-end. For Mr. Miller the value reflects contributions made by Intact USA under Intact USA Retirement Savings Plan. Actual contributions were made in U.S. dollars. Mr. Norgrove has opted out of the voluntary Defined Contribution (DC) plan in the UK and therefore receives a taxable cash allowance in lieu, which is disclosed in the "All other compensation" column. Therefore, there were no contributions to the pension scheme for Mr. Norgrove in 2022. The cash allowance was 10% of his salary between January 10, 2022 to December 31, 2022.
- (8) The amount reported for Mr. Brindamour in 2022 includes the costs of certain expenses reimbursed by the Company related to Mr. Brindamour's frequent travel to the UK (\$102,103) and the amount of his taxable allowance (\$47,500). The amount reported for Mr. Marcotte in 2022 includes the costs of certain expenses reimbursed by the Company related to Mr. Marcotte's frequent travel to the UK (\$39,351) and the amount of his taxable allowance (\$39,712). The amount reported for Mr. Miller in 2020, 2021 and 2022 corresponds to the personal use of a corporate aircraft with a maximum value of US\$125,000. The amount reported for Mr. Norgrove in 2022 mostly includes the cash allowance he elected to receive instead of participating in the voluntary Defined Contribution plan in the UK (GBP59,827), as well as his car allowance (GBP14,712) and relocation expenses (GBP371,545), such as grossed-up housing costs, paid to provide support in relation to his relocation from Denmark to the UK in 2022. Actual amounts paid in U.S. dollars to Mr. Miller and in GBP to Mr. Norgrove under All Other Compensation were converted to Canadian dollars using the applicable exchange rate indicated in notes (1) and (2) above.

## 7.6 Incentive Plan Awards

The following table provides information on all outstanding awards for each NEO at the end of the most recently completed financial year. PSUs and PSOs are presented based on vesting at target. However, the ultimate vesting of PSUs and PSOs depends on performance. PSU vesting may range from 0% to 200% of target and PSO vesting may range from 0% to 100% of target.

### Outstanding Option-Based and Share-Based Awards

Name	Grant Date	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>(1)</sup>	Options-based Awards		Share-Based Awards	
						Number of Shares or Units of Shares that have not vested (#) <sup>(2)</sup>		Market or Payout Value of Share-based Awards that have not Vested (\$) <sup>(3)</sup>	
						PSUs	RSUs	PSUs	RSUs
Charles Brindamour	June 1, 2021	406,778	\$161.67	June 1, 2031	\$13,521,301	135,179	13,902	\$26,347,739	\$2,709,639
Louis Marcotte	–	–	–	–	–	20,491	1,929	\$3,993,901	\$375,981
T. Michael Miller	June 1, 2021	224,866	\$161.67	June 1, 2031	\$7,474,546	145,747	10,793	\$28,407,548	\$2,103,664
Ken Norgrove						20,170	0	\$3,931,335	\$0
Louis Gagnon	June 1, 2021	198,522	\$161.67	June 1, 2031	\$6,598,871	39,277	4,134	\$7,655,480	\$805,758

Notes:

<sup>(1)</sup> The values of the unvested options-based awards represent the total number of PSOs that have not vested, multiplied by the difference between the December 30, 2022 Common Share price at closing of \$194.91 and the exercise price of \$161.67, assuming all performance criteria are met and full vesting of the PSOs (100%).

<sup>(2)</sup> The total number of Common Shares that have not vested represents the total number of PSUs (based on vesting at target) and RSUs allocated to NEOs under the LTIP for the performance cycles 2020-2022, 2021-2023 and 2022-2024. The number of PSUs indicated for Mr. Miller includes tranche 2 of the 2017 Special Award PSUs (59,867 PSUs) received by Mr. Miller in 2017 following the acquisition of OneBeacon, which vested on December 31, 2022 and will be delivered in the first quarter of 2023. The number of PSUs indicated for Mr. Norgrove includes the Special Award PSUs (12,723 PSUs) received by Mr. Norgrove in 2022, valued at GBP1,220,000.

The details of the number of PSUs and RSUs allocated to NEOs under the LTIP performance cycles 2020-2022, 2021-2023 and 2022-2024 are as follows:

Performance cycle	Charles Brindamour	Louis Marcotte	T. Michael Miller	Ken Norgrove	Louis Gagnon
2020-2022	46,340	6,431	35,978	–	13,781
2021-2023	53,502	8,149	31,407	–	15,467
2022-2024	49,239	7,840	29,288	20,170	14,163

<sup>(3)</sup> The minimum payout under the plan is 0% for the PSUs. The RSU component is not based on performance; therefore the minimum payout is the number of RSUs awarded multiplied by the Common Share price at vesting. The values of the unvested share-based awards represent the total number of PSUs that have not vested, multiplied by the Common Share price at closing on December 30, 2022, which was \$194.91, assuming a performance at target (100%), and the total number of RSUs that have not vested, multiplied by the Common Share price at closing on December 30, 2022, which was \$194.91. Starting with the 2021-2023 cycle, Senior Executives and certain Executives in Canada and the U.S. receive their LTIP awards composed entirely of PSUs. Senior Executives and certain Executives in the UK&I also receive their LTIP awards composed entirely of PSUs since the 2022-2024 cycle.

## Incentive Plan Awards – Value Vested or Earned During the Year

	Options-based awards – Value vested during the year (\$)	Share-based awards – Value vested during the year (\$) <sup>(1)</sup>	Non-equity incentive plan compensation – Value earned during the year (\$) <sup>(2)</sup>
Charles Brindamour	\$ 0	\$13,760,967	\$ 2,737,020
Louis Marcotte	–	\$ 1,527,955	\$ 823,462
T. Michael Miller	\$ 0	\$17,739,274	\$ 2,008,672
Ken Norgrove	\$ 0	–	\$ 1,086,919
Louis Gagnon	\$ 0	\$ 3,819,477	\$ 1,121,760

Notes:

<sup>(1)</sup> a) **RSUs**

The RSUs allocated under the LTIP for the performance cycle 2019-2021 vested on January 1, 2022. The value indicated in the table represents the number of Common Shares allocated to each NEO, including dividend equivalents, multiplied by the price of a Common Share at closing the day before the vesting date, which was \$164.42 (December 31, 2021). The number of Common Shares allocated to each NEO, including dividend equivalents, is as follows:

Name	Common Shares Allocated (#)	Value at Delivery (January 6, 2022) (\$)
Charles Brindamour	17,827	\$ 2,899,205
Louis Marcotte	1,979	\$ 321,845
T. Michael Miller	14,841	\$ 2,413,592
Ken Norgrove	–	–
Louis Gagnon	4,948	\$ 804,693

Where applicable, the Common Shares were delivered to participants on January 6, 2022. The average share price of a Common Share over the last 20 days preceding the delivery date was \$162.63. Participants electing to receive Common Shares are entitled to dividend payments as of the delivery date. Following approval by the HRC Committee and effective since April 2018, a two (2) year post-vesting restriction period applies to a group of Senior Executives. In 2020, the HRC Committee reviewed the composition of such group so that the restriction period applies to, among others, (i) the CEO and the Canadian direct reports of the CEO, (ii) the Oversight Functions and (iii) the Vice-Chairmen located in Canada. Such restriction period prohibits the sale of Common Shares received upon the conversion of RSUs and PSUs for a period of two (2) years following vesting of the award.

b) **PSUs**

The PSUs allocated under the LTIP for the performance cycle 2019-2021 vested on January 1, 2022. The Canadian portion paid out at 157.5% of target, based on Intact Financial Corporation's average three (3) year ROE performance relative to the industry (please refer to the description of the LTIP on [pages 114 to 118](#)). The U.S. portion paid out at 91.3% of target. Mr. Miller received a payout based on 75% of the U.S. results and 25% of the Canadian results, which provided him with a total payout of 107.9% of his original number of PSUs granted. The value indicated in the table represents the number of Common Shares allocated to each NEO, including dividend equivalents, multiplied by the price of a Common Share at closing the day before the vesting date, which was \$164.42 (December 31, 2021). The number of Common Shares allocated to each NEO, including dividend equivalents, is as follows:

Name	Number of Common Shares Allocated (#)	Value at Delivery (June 14, 2022) (\$)
Charles Brindamour	65,867	\$11,946,956
Louis Marcotte	7,314	\$ 1,326,613
T. Michael Miller	93,049	\$16,859,907
Ken Norgrove	–	–
Louis Gagnon	18,282	\$ 3,315,989

The Common Shares were delivered to participants on June 14, 2022, except for Mr. Miller who received the portion based on the U.S. results on February 25, 2022. The average share price of a Common Share over the last 20 days preceding the June 14, 2022 delivery date was \$181.38, and was \$179.39 for the February 25, 2022 delivery date. Participants electing to receive Common Shares are entitled to dividend payments as of the delivery date. Following approval by the HRC Committee and effective since April 2018, a two (2) year post-vesting restriction period applies to a group of Senior Executives. In 2020, the HRC Committee reviewed the composition of such group so that the restriction period applies to, among others, (i) the CEO and the Canadian direct reports of the CEO, (ii) the Oversight Functions and (iii) the Vice-Chairmen located in Canada. Such restriction period prohibits the sale of Common Shares received upon the conversion of RSUs and PSUs for a period of two (2) years following vesting of the award.

<sup>(2)</sup> The value represents the amounts to be paid in the second quarter of 2023 for the STIP performance year 2022. For Mr. Miller, the amount was paid on March 3, 2023 in U.S. dollars. The amount shown for him has been converted to Canadian dollars using the exchange rate at the date of payment of 1.35930. For Mr. Norgrove, the amount represents the portion of the 2022 STIP payment prorated for the period of employment from January 10, 2022 to December 31, 2022, the upfront cash portion (50%) of which was paid on March 24, 2023 in GBP, and the other fifty percent (50%) of which is deferred in RSUs that will be awarded in May 2023. The amount shown for him has been converted to Canadian dollars using the exchange rate at the date of payment of 1.67912.

## Additional information about the ESOP

Shareholders approved the ESOP at the 2021 Annual and Special Meeting of Shareholders. In addition, in 2021, the HRC Committee approved amendments to the option grant agreements of Mr. Brindamour, Mr. Miller and Mr. Gagnon to amend the treatment of the PSOs upon a “Termination without Cause” event to clarify that a prorated amount would become exercisable and must be exercised within 90 days of termination, but otherwise did not amend the original terms. Such amendment did not necessitate approval from shareholders under the terms of the Plan. Furthermore, the possibility of such amended treatment of the option grant agreements was disclosed in last year’s Management Proxy Circular.

## Dilution impact of Long-Term Incentive Plan

The Company monitors the outstanding number of options (dilution) and the number of options issued each year (burn rate). The table below shows these key measures, and the management of PSO awards to minimize the dilutive effect on shareholders.

Measure (shown as a % of issued and outstanding shares)	As of December 31, 2021	As of December 31, 2022
<b>Dilution</b> the number of options issued but not exercised, expressed as a percentage of the total number of issued and outstanding shares at the end of the fiscal year	0.47%	0.47%
<b>Burn rate</b> the number of stock options granted in the applicable fiscal year, expressed as a percentage of the weighted-average number of outstanding shares for the applicable fiscal year	0.51%	0%

## Securities authorized for issuance under the ESOP

The following table shows:

- shares to be issued when outstanding options under the stock option plan are exercised;
- remaining number of shares available for issue under the stock option plan.

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted average exercise price of outstanding options, warrants and rights	Number of securities remaining available for future issuance
PSOs	830,166*	\$161.67	600,015

\* assuming all current grants vest at 100%

### ESOP – Issuance limits

ESOP – Issuance limits	
Eligibility	Any individual employed by the Company or any Subsidiary of the Company who has been approved by the HRC Committee.
Currently issued (dilution)	830,166 shares issuable upon exercise of outstanding options (representing 0.47% of the Company’s issued and outstanding shares as at December 31, 2022).
Plan maximum	The aggregate number of shares that may be issued pursuant to grants made under the Plan together with all other security-based compensation arrangements of the Company shall be equal to one percent (1%) of the aggregate number of issued and outstanding shares from time to time.
Other limits	<p>The number of shares issuable to insiders, at any time, under all security-based compensation arrangements, cannot exceed 10% of the issued and outstanding shares.</p> <p>The number of shares issued to insiders, within any one-year period, under all security-based compensation arrangements, cannot exceed 10% of the issued and outstanding shares.</p>

## ESOP – Conditions

ESOP – Conditions	
Maximum term	A maximum of ten (10) years from the grant date of the options.
Exercise price	The exercise price for each option is fixed by the HRC Committee but under no circumstances shall any exercise price be less than one hundred percent (100%) of the Market Price on the grant date of the option.
Vesting and exercise of options	Unless otherwise designated by the HRC Committee in the grant agreement, the options included in a grant shall, subject to continued employment and the achievement of any applicable performance conditions, vest on the third anniversary of the grant date.
Transfer/assignment	Only by will or under succession laws.
Causes of cessation of entitlement	The Plan provides that a participant's entitlement to options granted thereunder may cease where such participant's employment with the Company is terminated. Specifically, upon a participant's termination for any reason (including termination for cause, termination without cause, or resignation), the Plan provides that all outstanding options that were granted to such participant that are not then vested are forfeited immediately, except where: (i) such termination is the result of the participant's death or disability (each of the foregoing, a "Qualifying Event" – see below); (ii) the applicable grant agreement otherwise provides; or (iii) the HRC Committee, in its sole discretion, amends the terms of the applicable grant agreement in writing to provide that all or a portion of the participant's unvested options shall continue and vest on or after the date of such termination. Each grant agreement is required to specify what is to occur in relation to an option awarded pursuant to such agreement in the event of the termination of the participant's employment by reason of a Qualifying Event, both before and after any applicable vesting dates.
Stock appreciation rights	The Plan does not provide the Company with the ability to transform an outstanding option into a stock appreciation right that could result in the issuance of a share from treasury. The Plan does, however, contain a standalone stock appreciation right provision that permits the Company to grant stock appreciation rights, separate from options, that can be settled in cash or, at the discretion of the HRC Committee, shares issued from treasury or a combination of cash and newly issued shares.
Plan changes	<p>The Plan and any grant made pursuant to the Plan may be amended, modified or terminated by the HRC Committee without the approval of shareholders, provided that no amendment to the Plan or grants may be made without the consent of a participant if it adversely alters or impairs the rights of the participant in respect of any grant previously granted under the Plan, except that participant consent shall not be required where the amendment is required for purposes of compliance with Applicable Law.</p> <p>Shareholders must approve the following changes:</p> <ul style="list-style-type: none"> <li>(a) increase in the maximum number of shares issuable pursuant to the Plan;</li> <li>(b) reduce the Exercise Price of an outstanding Option or the Base Price of a Stock Appreciation Right, or to permit the cancellation and reissuance of any grant;</li> <li>(c) amend the maximum term of the options to a date more than ten (10) years from the grant date;</li> <li>(d) extend the maximum term of any grant made under the Plan;</li> <li>(e) amend the transferability provisions of the Plan;</li> <li>(f) permit a non-employee Director to be eligible for grants under the Plan;</li> <li>(g) the addition of any form of financial assistance to a participant;</li> <li>(h) increase the number of shares that may be issued or issuable to Insiders above the restriction or deleting the restriction on the number of Shares that may be issued or issuable to Insiders;</li> <li>(i) include other types of equity compensation involving the issuance of Shares under the Plan; or</li> </ul> <p>Shareholder approval is not required for the following amendments:</p> <ul style="list-style-type: none"> <li>(a) amendments of a "housekeeping" nature;</li> <li>(b) a change to the vesting provisions of any grants;</li> <li>(c) a change to the termination provisions of any grant that does not entail an extension beyond the original term of the grant; or</li> <li>(d) amendments to the provisions relating to a Change in Control</li> </ul>
Financial assistance	No financial assistance is provided to any participant
Clawback	Subject to the Company's clawback policy

## 7.7 Pension Plan and Retirement Benefits

### IFC Base Plan and SERP

IFC's Canadian Executives and Canadian Senior Executives benefit from two (2) pension plans: a registered defined benefit plan ("Base Plan") and a SERP.

#### Base Plan

The pension benefit under the Base Plan is determined at retirement using a formula combining average earnings and service, where average earnings is defined as the average of the best 60 consecutive months of earnings during the last 120 months and earnings are comprised of base salary.

Formula for each service period	Charles Brindamour <sup>(1)</sup>	Louis Marcotte <sup>(1)</sup>	Louis Gagnon <sup>(1)</sup>
For service on and after January 1, 2000, the pension accrual is 2% of average earnings multiplied by the number of years of service	X	X	X
For service from January 1, 1997 to December 31, 1999, the pension accrual is 1.3% of average earnings up to the average year's maximum pensionable earnings ("YMPE"), plus 2% of the excess	X	N/A	N/A
For service up to December 31, 1996, the pension accrual is 1.35% of average earnings up to the average YMPE, plus 2% of the excess	X	N/A	N/A

<sup>(1)</sup> Participant under the *Régime de retraite enregistré au Québec des employés d'Intact et de ses compagnies affiliées*.

The benefit payable cannot exceed the maximum pension amount as may be permitted under the *Income Tax Act* (Canada).

The pension benefit is payable at normal retirement age (age 65). Early retirement is available as of age 55.

#### For the pension in respect of credited service up to December 31, 2018:

- participants are eligible to receive an unreduced pension benefit when they reach age 60 and have at least twenty (20) years of service. Otherwise, the accrued normal pension benefit is reduced by 6% for each year between the participant's early retirement date and the date the participant would attain both 60 years of age and twenty (20) or more years of service, or, if earlier, his normal retirement date.
- at retirement, the normal form of pension benefit payable to participants without an eligible spouse is a lifetime pension benefit with the provision that at least sixty (60) monthly payments will be made in any event. Participants with an eligible spouse will receive a lifetime pension benefit with a joint and 60% survivor form benefit, with the provision that at least sixty (60) monthly payments will be made in any event.

#### For the pension in respect of credited service from January 1, 2019:

- the accrued normal pension benefit is reduced by 4% for each year between the participant's early retirement date and his normal retirement date.
- at retirement, the normal form of pension benefit is a lifetime pension benefit with the provision that at least sixty (60) monthly payments will be made in any event.

Pension benefits accrued prior to January 1, 2012 are indexed annually based on the higher of 50% of the increase in the CPI and the CPI increase in excess of 3%, up to a maximum of 4%. There is no indexation of pension benefits accrued on or after January 1, 2012.

The Base Plan is a contributory plan and since January 1, 2014 Senior Executives are required to contribute to the plan. No contributions were required from Senior Executives prior to that date.

#### SERP Plan

A SERP where the pension benefit is equal to the excess of (a) over (b), as follows:

- the amount of annual pension which would be determined in accordance with the terms of the Base Plan if the tax limits as to the maximum pension payable, as set out in the Base Plan, were not applicable; and
- the amount of annual pension actually payable from the Base Plan.

For the purpose of determining the pension benefit payable under the SERP, earnings also include 25% of the maximum STIP payout.

SERP benefits are not indexed.

The SERP serves as a retention tool for all Canadian Executives and Canadian Senior Executives and vests when the Executive or Senior Executive has completed two (2) years of continuous service with the Company.

## RSA UK Defined Benefit Pension Plan

Mr. Norgrove is entitled to a deferred pension payable from the Irish Section of a UK defined benefit plan sponsored by Royal & Sun Alliance, for a previous period of service.

- The plan provided benefits based on pensionable service and final salary up to the date pensionable service ceased. Some inflation protection is provided between cessation of pensionable service and normal retirement age at 62.
- The plan is integrated with the Irish State Pension, which will cause the pension payable from the plan to reduce at age 66 by a fraction of the state pension amount, equal to the number of years and partial years of pensionable service up to 30 June 1998 divided by 80.

There is an option to commute a portion of the pension for a tax-free payment at retirement, subject to local laws at that time.

The following table provides information on the NEOs' participation in the Company's defined benefit plans:

Name	Number of years of credited service (#)	Annual benefits payable <sup>(6)(7)</sup>		Opening present value of defined benefit obligation (\$) <sup>(2)</sup>	Compensatory change (\$) <sup>(3)</sup>	Non-compensatory change (\$) <sup>(4)</sup>	Closing present value of defined benefit obligation (\$) <sup>(5)</sup>
		At year end (\$)	At age 65 (\$) <sup>(1)</sup>				
Charles Brindamour	27.6712	1,115,955	1,652,126	17,208,639	108,113	(5,244,479)	12,072,273
Louis Marcotte	16.1923	232,679	336,142	3,595,411	362,714	(818,161)	3,139,964
Louis Gagnon	15.9231	357,411	456,730	5,119,485	243,730	(924,954)	4,438,261
Ken Norgrove	n/a	92,854	116,623	4,718,992	0	(2,257,047)	2,461,945

Notes:

<sup>(1)</sup> The information shown in this column for Canadian NEOs was determined based on the final average earnings of each participant as of December 31, 2022 and years of credited service projected up to age 65 (assuming full-time employment).

<sup>(2)</sup> The information shown in this column was determined by using the same assumptions and methods as those used for 2021 financial statement reporting purposes. In particular, the discount rate used to value the obligation for Canadian NEOs is 3.29% per year for benefits accrued under the Base Plan and 3.23% per year for benefits accrued under the SERP.

<sup>(3)</sup> Includes the service cost, net of employee contributions, if any, plus the impact on the obligation of differences between actual and estimated earnings, and any additional changes that have a retroactive impact.

The service cost was determined using the same assumptions and methods as those used for 2021 financial statement reporting purposes. In particular, the discount rate used to value the service cost for Canadian NEOs is 3.36% per year for benefits accrued under the Base Plan and 3.34% per year for benefits accrued under the SERP.

<sup>(4)</sup> Includes all items that are not compensatory, such as changes in actuarial assumptions, interest cost and exchange rates and any data changes.

<sup>(5)</sup> The information shown in this column was determined by using the same assumptions and methods as those used for 2022 financial statement reporting purposes. In particular, the discount rates used for Canadian NEOs are 5.27% per year for benefits accrued under the Base Plan and 5.27% per year for benefits accrued under the SERP.

<sup>(6)</sup> Pension benefit for Canadian NEOs is payable at normal retirement age (age 65). In respect of benefits under the Base Plan and SERP, participants are eligible to receive an unreduced pension benefit in respect of their credited service up to December 31, 2018 when they reach age 60 and have at least twenty (20) years of service.

<sup>(7)</sup> The benefits for Mr. Norgrove represent his deferred pension under a UK pension plan for a past period of service, payable from the normal retirement date (age 62). The amounts include contractual inflation adjustments granted up to the year-end and, in the case of the projected benefit, those assumed to be granted up to age 62. The pension is integrated with a government benefit, which will cause the amount payable to reduce at age 66.

## Intact USA Defined Contribution Plan

Mr. Miller participates in the Intact USA Retirement Savings Plan, which has the following features:

- Since 2022, Intact USA provides a 100% match up to 3% of an employee's eligible compensation. For this purpose, compensation is limited to the annual IRS limit (US\$305,000 in 2022). Prior to 2022, Intact USA made bi-weekly contributions equal to 3% of an employee's compensation.
- Intact USA also makes an annual fixed contribution of 3% of compensation for employees who are active on the last business day of the plan year. For this purpose, compensation is limited to the annual Social Security ceiling (US\$147,000 in 2022).
- Intact USA also makes a variable contribution – 0% to 6% of eligible compensation up to the IRS defined compensation limit (US\$305,000 in 2022). The variable contribution is determined based on to what extent the company has achieved its annual financial goals. All employees are eligible for the fixed contribution. Employees who participate in any long-term incentive plans are not eligible to receive a variable contribution.
- Employees may also make contributions to the plan in the form of deferred wages up to certain limits.

Compensation under the plan includes base salary and overtime and excludes bonuses and other incentive compensation.

## RSA UK Defined Contribution Pension Plan

Mr. Norgrove participated in the defined contribution plan sponsored by Royal & Sun Alliance in the UK for a portion of the year.

The following table provides information on Mr. Miller's participation in the Intact USA Retirement Savings Plan and on Mr. Norgrove participation in the RSA UK defined contribution plan:

Name	Accumulated value at start of year (\$)	Compensatory change (\$) <sup>(2)</sup>	Non compensatory change (\$) <sup>(3)</sup>	Accumulated value at year end (\$)
T. Michael Miller <sup>(1)</sup>	1,225,654	17,650	(64,935)	1,178,369
Ken Norgrove <sup>(1) (4)</sup>	0	1,599	(1,599)	0

Notes:

<sup>(1)</sup> Figures are expressed in Canadian dollars.

<sup>(2)</sup> Employer contributions made between January 1, 2022 and December 31, 2022.

<sup>(3)</sup> Contributions made by the NEO, if any, plus investment earnings, net of benefit payments and refunds, and including the effect of changes in the exchange rates.

<sup>(4)</sup> Mr. Norgrove opted out of the plan during the year and withdrew his funds.

## 7.8 Termination and Change of Control Benefits

The Company does not have employment contracts that provide for termination and change of control benefits with its NEOs, except for Mr. Miller. Hiring documents include confirmation of total compensation, a copy of the Company's policies and the requirement for each Executive or Senior Executive to sign the IFC "Living our Values" code of conduct, as well as a Confidentiality and Non-Solicitation Agreement.

### Mr. Miller's Employment Agreement with Intact Financial Corporation

The Company entered into an employment agreement with Mr. Miller following the acquisition of OneBeacon. Under the terms of the agreement, in the event the Company terminates Mr. Miller's employment without cause (defined as termination for reasons other than (i) Mr. Miller's death or Disability or (ii) cause) or Mr. Miller experiences a "Constructive Termination" (termination at Mr. Miller's initiative which follows (i) a material decrease in total annual compensation opportunity, (ii) a material diminution in the authority, duties or responsibilities of Mr. Miller's position or (iii) a relocation of Mr. Miller's principal place of employment by more than 35 miles), the Company will provide Mr. Miller with the following:

- a cash payment equal to two times the sum of (i) his base salary and (ii) his annual target IFC U.S. STIP, payable in equal monthly instalments over a period of 24 months;
- continued participation in the Company's well-being benefit plans for a period of 18 months; and
- his outstanding PSUs and RSUs shall vest on a prorated basis (the numerator of which will be the number of completed whole months in the performance period prior to Mr. Miller's termination and the denominator of which will be the number of months in the performance period) based on the actual level of performance achievement for completed years of the performance cycle and target level of performance achievement for future years of the performance cycle.

Except as provided above, upon Mr. Miller's termination of employment for any reason, outstanding PSUs and RSUs shall be forfeited; provided however that if Mr. Miller Retires on January 1, 2023 or later, his outstanding PSUs and RSUs shall vest and be paid on the original payment date(s) subject to the actual level of performance achievement.

The term "Retire" means (a) a voluntary termination of employment on or following January 1, 2023, (b) Mr. Miller's death or (c) the Company terminates Mr. Miller's employment due to Disability as defined in the OneBeacon 2017 Long-Term Incentive Plan.

### General Rule for NEOs who do not have employment contracts

The Company is required to provide "reasonable notice" upon termination of employment. The length of reasonable notice required varies with the facts and circumstances of the individual situation and jurisdiction.

Finally, the Company provides the minimum compliance requirement under the applicable law in the relevant jurisdiction. Generally, the severance package for Executives and Senior Executives increases with the following factors, as well as industry general practices: age, length of service, base salary and benefits, level of responsibility and difficulty in finding alternative employment.



## Treatment of Performance Stock Options

Each of the performance option grant agreements relating to options granted under the Plan during 2021 provides that in the event of an option holder's termination of employment for any reason (other than for cause or death), the option holder's unvested options will vest as of the option holder's termination date. The options will vest pro rata, based on the number of days of employment between the grant date and the option holder's termination date relative to the number of days in the performance period applicable to the option. The grant agreements specify that the options will only vest provided the minimum level of performance is achieved. Such performance is calculated based on (a) actual results of the Company as of the date of termination for years where such results are known and (b) target results for years unknown. The option holder will have until the earlier of (i) the expiry date of the options and (ii) the 90th day following their termination date to exercise options that become vested as of their termination date and until the expiry date of the options to exercise previously vested options.

The grant agreements also provide that following a "Change of Control" (as defined in such agreements), an option holder's outstanding unvested options vest on the option holder's termination date if (a) the option holder's employment is terminated by the Company or any successor entity thereto without cause or (b) the option holder resigns from their employment for good reason on or within two years after the Change of Control. The options will only vest provided the minimum level of performance is achieved. Such performance is calculated based on (i) actual results of the Company as of the date of termination for years where such results are known and (ii) target results for years unknown. Options that vest following a Change of Control may be exercised until the expiry date of the options. The Plan also permits the Company to take various discretionary actions with respect to outstanding options in connection with a Change of Control, including accelerating vesting and permitting option holders to cash out their options.

## Consequences of a Change of Control under the LTIP

- If a Change of Control occurs, then the vesting of stock incentives under the LTIP shall be subject to double-trigger change of control provisions.

The LTIP contains a provision, which was reviewed and took effect as of 2018, relating to the consequences of a change of control of the Company, as described below:

If a Change of Control occurs, then the vesting of stock incentives under the LTIP shall be subject to double-trigger change of control provisions. As such, an involuntary termination of employment without cause or resignation of employment with good reason ("with good reason" triggers consisting of a substantial reduction in responsibilities or scope of authority in the terms of employment, in either case, without the participant's consent), on or within 24 months following the occurrence of a Change of Control of the Company, will result in the accelerated vesting of stock incentives granted under the LTIP and outstanding as of the date of termination. PSU vesting is calculated based on actual performance for years for which results are known and at target for years for which results are not known.


In addition, in connection with a Change of Control, the surviving, successor or acquiring entity is required to assume or fairly substitute outstanding awards. Alternatively, in the context where the agreements effectuating the Change of Control do not provide, as determined by the HRC Committee, for the fair assumption or substitution of all stock incentives granted under the LTIP, then the HRC Committee may decide to accelerate the vesting of outstanding LTIP awards and/or to cancel such awards in exchange for a payment in cash or shares, in all cases, in connection with the Change of Control.

Upon resignation or termination with cause, all stock incentives granted under the LTIP are forfeited. A Change of Control is generally defined under the LTIP as:

- (a) a person (broadly defined) or group of persons acting in concert directly or indirectly becoming the beneficial owner(s) of 35% or more of the Company's voting securities; or
- (b) the shareholders of the Company approving a reorganization, amalgamation or arrangement of the Company with any other company, where holders of record of the voting securities of the Company immediately before these transactions hold less than 50% of the voting securities of the Company or the continuing entity; or
- (c) the shareholders of the Company approving a plan of liquidation, dissolution or winding-up of the Company, or an agreement for the sale or disposition by the Company of 50% or more of the net book value of the Company's assets to a person other than an affiliate; or
- (d) a change of more than 50% in the Directors on the Board of Directors; or any transaction that the Board of Directors determines to be a change of control;

and, in each case, all governmental and regulatory consents and approvals required, necessary or desirable in connection therewith having been obtained and not being subject to appeal, further review or modification. The HRC Committee periodically reviews the terms of the change of control arrangements under the Company's LTIP as part of its review of current governance trends and market practices.

## Estimated payments to NEOs upon termination of employment as at December 31, 2022

 Executives' and former Executives' outstanding equity-based incentives may be subject to reduction or recoupment under the terms of our clawback policy. See [page 108](#) for more information on our clawback policy.

The Company does not have employment contracts with its NEOs that provide for termination and change of control benefits, except for Mr. Miller as noted above.

The Outstanding Option-Based and Share-Based Awards table on [page 131](#) summarizes the NEOs' outstanding LTIP awards that would vest in the event of termination scenarios and application of double-trigger change of control provisions under the LTIP as at December 31, 2022.

The table below summarizes estimated incremental payments, payables and benefits which Mr. Miller would be contractually entitled to at, following, or in connection with each of the termination scenarios below as at December 31, 2022 (including the accelerated vesting of LTIP awards as described above).

Amounts do not include any potential greater common law entitlements. For equity-based compensation, the values represent the value of any awards (as of December 31, 2022) that would have been eligible for accelerated vesting as a result of termination. These values are based on a share price of \$194.91, the closing price of our common shares on December 30, 2022, and U.S. dollar amounts have been converted to Canadian dollars using the exchange rate on December 31, 2022, which was 1.35400.

We do not gross up any compensation to cover the impact of income taxes.

The actual amounts that Mr. Miller would receive if his employment were terminated can only be determined at the time of termination. Many factors could affect the nature and amount of the benefits and the actual amounts may be higher or lower than the amounts shown below. PSUs have been valued assuming a performance factor of 100%, which may not reflect the actual payouts.

Name	Compensation Component	Retirement (early or normal) (\$)	Termination with cause/Resignation (\$)	Termination without cause/Constructive termination (\$)	Termination without cause following a change of control (\$)
T. Michael Miller	Salary and Annual Incentives	–	–	4,373,420	4,373,420
	Equity-Based Incentives	–	–	24,665,016	30,511,211 <sup>(1)</sup>
	Value of benefits plans	–	–	29,643	29,643
	Total	–	–	29,068,079	34,914,274

<sup>(1)</sup> There is a difference in payouts between the termination without cause/constructive termination scenario and the termination without cause following a change of control scenario because, following a change of control, Mr. Miller would be entitled to receive the full value of the IFC LTIP for the performance cycles 2020-2022, 2021-2023 and 2022-2024, which are subject to double-trigger change of control provisions.

## 7.9 Compensation of Directors

Please refer to the "Director Compensation" section starting on [page 34](#) of this Circular.

## 7.10 Indebtedness of Directors and Executive Officers

To the knowledge of the Company, there is no outstanding indebtedness to the Company or to its subsidiaries incurred by Directors, Executive Officers, employees or former Directors, Executive Officers or employees of the Company, except under a loan program for the acquisition of computer equipment and software that is available to all employees of the Company in Canada. Advances to a person under the computer loan program are of a nominal value (average: \$3,500).

## 7.11 Approval of the Statement on Executive Compensation

The statement on executive compensation has been approved by the HRC Committee, the members of which are:

Indira Samarasekera, Chair

Michael Katchen

Robert Leary

Sylvie Paquette

Stuart J. Russell

Stephani Kingsmill

(Signed) Human Resources and Compensation Committee

## 8 Approval of the Board of Directors

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The Board of Directors has approved the contents and the distribution of this Management Proxy Circular to the shareholders of the Company.



Frédéric Cotnoir  
Executive Vice President & Chief Legal Officer

March 31, 2023

# Glossary of Terms

## **“AMF”**

means the Autorité des marchés financiers;

## **“AIF”**

means the Company’s Annual Information Form dated February 7, 2023, in respect of the financial year ended December 31, 2022;

## **“Amended and Restated Rights Plan”**

means the amended and restated shareholder rights plan approved by the Board of Directors on April 19, 2017;

## **“Audit Committee”**

means the Audit Committee of the Board of Directors;

## **“Base Plan”**

means the Company’s registered defined benefits plan for Canadian Executives and Canadian Senior Executives;

## **“Black and People of Colour” or “BPOC”**

has the meaning given to the expression “members of visible minorities” in the *Employment Equity Act*;

## **“Board of Directors” or “Board”**

refers to the board of directors of the Company;

## **“Group CCO”**

means the Group Chief Compliance Officer of the Company;

## **“CEO”**

means the Chief Executive Officer of the Company;

## **“Group CFO”**

means the Group Chief Financial Officer of the Company;

## **“Circular”**

means this Management Proxy Circular dated March 31, 2023, together with all schedules hereto, prepared in connection with the Meeting;

## **“Common Shares”**

means the common shares of the Company;

## **“Company”**

means Intact Financial Corporation;

## **“Computershare”**

means the Company’s transfer agent, Computershare Investor Services Inc.;

## **“CPI”**

means the Consumer Price Index;

## **“CRA”**

means the Canada Revenue Agency;

## **“GS Committee”**

means the Governance and Sustainability Committee of the Board of Directors (previously named Compliance Review and Corporate Governance Committee);

## **“CRO”**

means the Chief Risk Officer of the Company;

## **“Directors”**

means members of the Board of Directors of the Company;

## **“Diversity Policy”**

means the Board and Senior Management Diversity Policy of the Company;

## **“DSUs”**

means deferred share units granted by the Company as part of the Directors’ compensation;

## **“ESG”**

means environmental, social and governance;

## **“Executives”**

means the Senior Vice Presidents, Deputy Senior Vice Presidents, Vice Presidents and equivalent positions within the Company;

## **“Executive Officers”**

has the meaning provided for under securities legislation, and targets, among other positions, individuals who are performing policymaking functions in respect of the Company. As of December 31, 2022, the Executive Officers were the individuals listed on pages 23 and 24 of the AIF;

## **“External Auditor” or “EY”**

means Ernst & Young LLP, the external auditor of the Company;

## **“FRFIs”**

means federally regulated financial institutions;

## **“HRC Committee”**

means the Human Resources and Compensation Committee of the Board of Directors;

## **“IFC”**

means Intact Financial Corporation;

## **“IIM”**

means Intact Investment Management Inc. and Intact Investment Limited Partnership;

## **“IIM US”**

means Intact Investment Management US LLC;

**“Indigenous Peoples”**

has the meaning given to the expression “Aboriginal peoples” in the *Employment Equity Act*;

**“Intact”**

means Intact Financial Corporation;

**“Intact Public Entities”**

means Intact Public Entities inc.;

**“Intact USA”**

means Intact Insurance Group USA Holdings Inc.;

**“LTIP”**

means the Company’s Long-Term Incentive Plan;

**“Management” or “Managerial Positions”**

means all managerial level positions, including team and unit leaders, and higher positions within the Company;

**“Meeting”**

means the annual and special meeting of shareholders of the Company to be held on May 11, 2023;

**“Nomination Policy”**

means the nomination policy for the Board of Directors and committee members;

**“Nominee”**

means, with respect to a Non-Registered shareholder of the Company, its bank, trust company, securities broker, clearing agency or other financial institution or intermediary holding shares in its behalf;

**“On Side”**

means On Side Developments Ltd.;

**“OneBeacon”**

means OneBeacon Insurance Group, Ltd.;

**“OSFI”**

means the Office of the Superintendent of Financial Institutions;

**“Oversight Functions”**

means the oversight functions as determined under OSFI’s Corporate Governance Guideline (Group CFO, CRO, Group Chief Actuarial Officer, Canadian Appointed Actuary, Group Chief Internal Auditor and Group CCO);

**“P&C”**

means property and casualty insurance;

**“Plans”**

means the Company’s pension and incentive plans;

**“Proxyholder”**

means a person having the authority to attend the Meeting and vote Common Shares of the Company on behalf of shareholders;

**“PSO”**

means performance stock options granted by the Company to select Senior Executives;

**“PSUs”**

means performance share units granted by the Company to Executives and Senior Executives under the LTIP;

**“Rights Plan Resolution”**

means the resolution that will be submitted to the Company’s shareholders at the Meeting to ratify, reconfirm and reapprove the Amended and Restated Rights Plan;

**“Risk Committee”**

means the Risk Management Committee of the Board of Directors;

**“ROE”**

means return on equity. For the purpose of the Statement on Executive Compensation included in this Circular and for industry comparison purposes, IFC’s ROE corresponds to IFC’s adjusted return on equity (AROE), which is more comparable to the industry;

**“RSA”**

means RSA Insurance Group plc.;

**“RSA Acquisition”**

means the acquisition of RSA Insurance Group plc. by the Company and Tryg A/S;

**“RSUs”**

means restricted share units granted by the Company to Executives under the LTIP;

**“Senior Executives” or “Senior Management”**

means the CEO, Presidents, Executive Vice Presidents, Vice Chairs and equivalent positions within the Company;

**“SERP”**

means the Company’s supplementary executive retirement plan for Canadian Executives and Canadian Senior Executives;

**“STIP”**

means the Company’s Short-Term Incentive Plan;

**“The Guarantee”**

means The Guarantee Company of North America;

**“VIF”**

means the Voting Instruction Form to be completed by non-registered shareholders of the Company to instruct their respective Nominee on how to vote their Common Shares;

**“Weighted Global Benchmark”**

means a weighted benchmark as described on [page 117](#);

**“WTW”**

means Willis Towers Watson, the Company’s external consultant on matters related to executive compensation and on other human resources advisory services.

# Schedule A

## Amended and Restated Shareholder Rights Plan

### Issue of Rights

One right (a “Right”) has been issued in respect of each Common Share outstanding immediately following the close of business on February 9, 2011 (the “Record Time”) and one Right has been and shall be issued in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time.

### The Rights

Each Right will entitle the holder, subject to the terms and conditions of the Amended and Restated Rights Plan, to purchase additional Common Shares after the Separation Time.

### Exercise of Rights

The Rights may not be exercised before the Separation Time.

After the Separation Time and before the Expiration Time, each Right entitles the holder to acquire one Common Share for an exercise price equal to four times the market price of the Common Shares as determined at the Separation Time (subject to certain anti-dilution adjustments).

If a Flip-in Event occurs before the Expiration Time, each Right (other than the Rights held by an Acquiring Person which become null and void on the occurrence of the Flip-in Event) may be exercised to purchase that number of Common Shares having an aggregate market price equal to twice the exercise price for an amount in cash equal to the exercise price (subject to certain anti-dilution adjustments).

### Redemption of Rights

All (but not less than all) of the Rights may be redeemed by the Company with the prior approval of the shareholders at any time before a Flip-in Event occurs at a redemption price of \$0.00001 per Right (subject to adjustment). In addition, if a Permitted Bid, a Competing Permitted Bid or a bid in respect of which the Board of Directors has waived the operation of the Amended and Restated Rights Plan is completed, the Company will immediately, and without further formality, redeem the Rights at the redemption price.

### Waiver

The Board of Directors may, at any time before an acquisition of Common Shares under a take-over bid made by a take-over bid circular to all registered holders of Common Shares that would trigger a Flip-in Event, waive the application of the “Flip-in” provisions of the Amended and Restated Rights Plan to the acquisition.

The Board of Directors may, with the prior approval of the shareholders, at any time before any other acquisition of Common Shares that would trigger a Flip-in Event, waive the application of the “Flip-in” provisions of the Amended and Restated Rights Plan to the acquisition.

### Term of the Amended and Restated Rights Plan

Unless otherwise terminated, the Amended and Restated Rights Plan will expire at the Expiration Time.

### Fiduciary Duties of the Board of Directors

The Amended and Restated Rights Plan will not detract from or lessen the duty of the Board of Directors to act honestly and in good faith with a view to the best interests of the Company and its shareholders. The Board of Directors will continue to have the duty and power to take such actions and make such recommendations to the Company’s shareholders as are considered appropriate.

## Amending Power

If the Amended and Restated Rights Plan is reconfirmed by the shareholders of the Company, all amendments to the Amended and Restated Rights Plan, other than amendments to correct clerical or typographical errors and amendments to maintain the validity of the Amended and Restated Rights Plan as a result of a change of applicable legislation or applicable rules or policies of securities regulatory authorities, must be approved by a majority of the votes cast by shareholders, other than an offeror under a take-over bid or an Acquiring Person (or any associate or affiliate of the offeror or the Acquiring Person or any other person acting jointly or in concert with the offeror or the Acquiring Person). In addition, all amendments to the Amended and Restated Rights Plan require the written concurrence of the Rights Agent and prior written consent of the Toronto Stock Exchange (as applicable).

## Definitions

### Acquiring Person

Subject to certain exceptions, an Acquiring Person is a person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares.

### Beneficial Owner

A person is a Beneficial Owner of Common Shares if the person (or any associate or affiliate of the person or any other person acting jointly or in concert with the person) legally or beneficially owns Common Shares or has the right to acquire (immediately or within 60 days) Common Shares upon the exercise of any convertible securities or pursuant to any agreement, arrangement or understanding.

A person is not a Beneficial Owner of Common Shares if the person is engaged in the management of mutual funds, investment funds or public assets for others (e.g., a fund manager, trust company, pension fund administrator, trustee or a registered broker or dealer administering non-discretionary client accounts), as long as the person:

- (a) holds the Common Shares in the ordinary course of its business for the account of others; and
- (b) is not making a take-over bid or acting jointly or in concert with a person who is making a take-over bid.

### Separation Time

The Separation Time occurs on the tenth trading day after the earliest of:

- (a) the first date of a public announcement that a person has become an Acquiring Person;
- (b) the date of the commencement or announcement of the intent of a person to commence a take-over bid, other than a Permitted Bid or Competing Permitted Bid; and
- (c) the date on which a take-over bid ceases to be a Permitted Bid or Competing Permitted Bid; (or, in the case of (b) or (c), such later date as the Board may determine in good faith).

### Expiration Time

If the shareholders reconfirm the Amended and Restated Rights Plan, the Expiration Time will occur on the earliest of:

- (a) the time at which the right to exercise the Rights terminates in accordance with the Amended and Restated Rights Plan;
- (b) immediately after the annual meeting of shareholders to be held in 2026 and every third year thereafter unless the Amended and Restated Rights Plan is reconfirmed at that meeting; and
- (c) the tenth anniversary of the date the Amended and Restated Rights Plan was adopted by the Board of Directors.

### Flip-in Event

A Flip-in Event occurs when a person becomes an Acquiring Person. Upon the occurrence of a Flip-in Event, any Rights that are legally or beneficially owned by an Acquiring Person, will become null and void. As a result, the Acquiring Person's ownership interest in Intact Financial Corporation will be greatly diluted if a substantial portion of the Rights are exercised after a Flip-in Event occurs.

**Permitted Bid**

A Permitted Bid is a take-over bid that satisfies the following conditions:

- (a) the bid is made to all holders of Common Shares (other than the offeror);
- (b) the offeror agrees that no Common Shares will be taken up or paid for under the bid for at least 105 days following the commencement of the bid or such shorter period that a take-over bid must remain open for deposits of securities thereunder pursuant to Canadian securities laws;
- (c) the offeror agrees that no Common Shares will be taken up or paid for under the bid unless, at the time of take-up or payment, more than 50% of the outstanding Common Shares held by shareholders, other than the offeror (or any associate or affiliate of the offeror or any other person acting jointly or in concert with the offeror), have been deposited pursuant to the bid and not withdrawn;
- (d) the offeror agrees that the Common Shares may be deposited to and withdrawn from the bid at any time before Common Shares are taken up and paid for; and
- (e) if, on the date specified for take-up and payment, condition (c) is satisfied, the bid will remain open for an additional period of at least 10 days to permit the remaining shareholders to tender their Common Shares.

**Competing Permitted Bid**

A Competing Permitted Bid is a take-over bid that satisfies the following conditions:

- (a) the bid is made after the commencement and before the expiry of a Permitted Bid or another Competing Permitted Bid;
- (b) the bid satisfies all the conditions of a Permitted Bid other than Permitted Bid condition (b); and
- (c) the offeror agrees that no Common Shares will be taken up or paid for under the bid before the close of business on a date that is the last day of the minimum initial deposit period that such take-over bid must remain open for deposits of securities thereunder pursuant to Canadian securities laws after the date of the take-over bid constituting the Competing Permitted Bid.



## Schedule B

# Intact Financial Corporation and its Canadian P&C Insurance Companies (jointly called the “Company”)

## Mandate of the Board of Directors

### I. Purpose

The main responsibility of the Board of Directors (the “Board”) is to oversee the management of the business and affairs of the Company and its subsidiaries (the “Group”), including its pension funds.

In carrying out its duties and responsibilities and discharging its obligations, the Board will, directly and through its committees, provide direction to management to pursue the best interests of the Company.

### II. Composition and Qualifications

- i) The composition of the Board and qualifications of its members is determined based on applicable legal requirements and best practices as determined by the Board.
- ii) Directors must have complementary knowledge, skills and expertise, including an appropriate representation of financial industry and risk management skills, to enable them to positively contribute to the achievement of the Group’s corporate objectives.
- iii) The Board of Directors policies and procedures, as approved from time to time by the Board, serves as a guide to determining the composition of the Board and qualifications of its members.

### III. Process and Operations

#### 1. Meetings

- i) The Board meets at least four times per year based on a Board pre-approved calendar.
- ii) The chair of the board of directors of the Company’s subsidiaries in the United Kingdom may call a meeting of the Board at any time.
- iii) Any of the Group oversight functions, which include: Financial; Risk Management; Compliance; Internal Audit; and Actuarial (the “Oversight Functions”), may also call a meeting of the Board at any time.

#### 2. Private Meeting of the Members of the Board and Private Meetings With Members of Management

- i) At each meeting, the members of the Board will meet privately for an in-camera session without the presence of management.
- ii) The members of the Board may meet members of management in private after each meeting or with any other employees of the Group, as deemed appropriate.

#### 3. Quorum

A quorum at any meeting shall be a simple majority of the members of the Board.

## IV. Duties and Responsibilities

The Board supervises the management of the business and affairs of the Group. In exercising this role, the Board fulfills the following duties and responsibilities:

### 1. Strategic Planning

- i) Approves, at least annually, the strategic plan which includes climate strategy, and the corporate objectives of the Group and oversees their execution. This oversight includes reviewing and approving all major strategy and policy recommendations and monitoring the Group's performance against the strategic plan using appropriate metrics and milestones.
- ii) Reviews the opportunities and risks of the Group's three-year plan and, if deemed advisable, approves such plan, including the budget for the following year.
- iii) The Board performs periodic reviews of the approved strategy and reviews and discusses results at each of its quarterly meetings to ensure attainment of key objectives and prompt realignment, if judged appropriate.
- iv) Reviews and approves material transactions and reorganizations, such as acquisitions, dispositions, mergers, corporate reorganizations, alliances and financing transactions.

### 2. Risk Management and Capital Management

- i) Oversees the identification and monitoring of the principal risks affecting the Groups business and ensures that the Group's business strategies and allocations of capital are related to the Group's Risk Appetite Framework and tolerance.
- ii) Ensures that the Group has effective risk management programs and practices that are within the risk tolerance of the Group and that risk management activities have sufficient independence, status and visibility.
- iii) Evaluates the Group's compliance with key risk policies and limits.
- iv) At least annually, evaluates and approves the Enterprise Risk Management Policy including the Risk Appetite Framework and the Internal Capital Ratio.
- v) Approves the Group's Investment Policy and investment strategies.
- vi) Oversees the Group's policies and strategies with respect to liquidity, funding and capital management and provides advice and guidance to management on the effectiveness of such policies and strategies.

### 3. Ethics, Compliance and Governance

- i) Sets the tone for the integrity, ethics, compliance and sustainability culture throughout the Group and ensures that the appropriate structures and programs are in place to meet and maintain the highest rules of ethics, compliance and conduct.
- ii) Develops the Group's approach to corporate governance and its corporate governance principles.
- iii) To support the Group's corporate governance objectives, the Board ensures that the Directors, the Group CEO ("CEO"), the Oversight Functions and other executives demonstrate suitability and integrity in line with the high ethical values of the Group and foster a culture of integrity throughout the Group.
- iv) Reviews management reports regarding important developments in the relationship between the Group and key regulators, including the Office of the Superintendent of Financial Institutions ("OSFI"), the Autorité des Marchés Financiers ("AMF"), the Prudential Regulation Authority ("PRA") and U.S. insurance regulators.
- v) Reviews the Group's compliance programs including the Ombudsman's Office, the Privacy Office and market conduct initiatives.
- vi) Reviews the Company's procedures to monitor its Related Party Transactions and approves Related Party Transactions, as required.
- vii) Ensures that there are appropriate procedures in place for the identification and resolution of conflicts of interest.
- viii) Oversees and monitors the Group's environmental, social and governance ("ESG") and corporate social responsibility initiatives, including with respect to diversity and inclusion.
- ix) Oversees and approves the Group's codes of ethics and conduct.

#### **4. Supervision over Senior Management, Oversight Functions and Compensation and Succession Planning**

- i) Ensures that the Group is supported by an appropriate organizational structure including a CEO, Oversight Functions as defined by law, and other Senior Executives who have complementary skills and expertise, to ensure the sound management of the business and affairs of the Group and its long-term profitability.
- ii) Oversees the Group's succession planning and talent development.
- iii) Develops the annual corporate goals and objectives of the CEO and is responsible for the CEO's appointment, assessment, compensation and termination (if applicable).
- iv) Conducts an annual assessment of the effectiveness and independence of the Oversight Functions and reviews their objectives. Such assessment may include conducting a benchmarking analysis of such functions and processes with the assistance of internal or external advisors.
- v) Periodically reviews and approves the respective mandates of the Oversight Functions.
- vi) Appoints, assesses and terminates (if applicable) the head of the Oversight Functions.
- vii) Oversees the Group's general approach to human resources and compensation philosophy and reviews, discusses and approves the compensation and benefits plans for employees, management, executives, including the Oversight Functions, and Directors.

#### **5. Pension Plans and Funds**

- i) Monitors the various aspects of the Group's Pension Plans (benefits, Financial Statements and actuarial valuation) and the management of their funds (review of policies and approval of strategies and investment reports).
- ii) Reviews the governance framework in relation to the management of the Group's pension plans and pension funds.

#### **6. Board of Directors Structure and Composition**

- i) Ensures that its own structure and composition are in compliance with applicable legislation and best practices, as determined by the Board, and reviews the size, composition and policies of the Board and its committees with a view to the effectiveness, contribution, skills, suitability, integrity and independence of the Board and of all the directors.
- ii) Establishes the appropriate policies and procedures to enable the Board, its committees and individual directors to function independently of management.
- iii) On an annual basis, the Board undertakes a self-assessment to evaluate the effectiveness of the Board and committee practices, with the assistance of external advisors, as required.
- iv) Identifies potential new Board members and implements and reviews the nomination process for new Board members.
- v) Provides orientation for new directors and continuing education opportunities to all Board members.

#### **7. Financial Reporting, Public Disclosure and Internal Controls**

- i) Reviews and approves the Group's significant disclosure documents including financial statements and related financial information and oversees the Group's compliance with applicable audit, accounting, actuarial and reporting requirements.
- ii) Ensures that the Group adopts appropriate policies and procedures that provide for timely and accurate disclosure to regulators, shareholders, employees, analysts and the public, that meet all applicable legal and regulatory requirements and that facilitate feedback from stakeholders and shareholder engagement.
- iii) Oversees and monitors the integrity and effectiveness of the Group's internal controls and management information systems. The Board also reviews management's assertions on internal controls and disclosure control procedures.
- iv) Appoints, subject to approval by shareholders, and terminates, if applicable, the external auditor.

#### **8. General**

- i) As part of meeting its responsibilities, the Board is responsible for overseeing the governance and activities of subsidiaries.
- ii) The Board is responsible for establishing general Group policies and performing other tasks required by law and regulations.

## V. Access to Independent Consultants

- i) The Board and each committee may retain and terminate independent consultants, at the Company's expense. Individual members of the Board are authorized to engage consultants, at the expense of the Company, in appropriate circumstances.
- ii) The Board ensures that consultants are retained only when necessary and that such consultants are retained prudently and without duplication.
- iii) The Board will ensure that appropriate policies and procedures are in place to provide for the prudent engagement of consultants.

## VI. Committees of the Board and Delegation

- i) The Board has established the following committees to assist it in its stewardship role: the Audit Committee, the Risk Management Committee, the Governance and Sustainability Committee, and the Human Resources and Compensation Committee. Subject to applicable law, the Board may establish other Board committees or merge or dispose of any Board committee.
- ii) The Board has approved mandates for each Board committee. Such mandates will be reviewed annually and approved by the Board.
- iii) The Board has delegated for approval or review the matters set out in each Board committee's mandate to that committee.
- iv) The Board may designate a sub-committee or individual(s) to review any matter the Board can delegate by law.

## VII. Board Mandate Review

On an annual basis, the Board reviews this mandate and approves such changes as are necessary.

**Approved by the Board of Directors of Intact Financial Corporation and its Canadian P&C Subsidiaries on July 26, 2022.**

# How to Contact Us

## Investors

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Intact Financial Corporation  
Investor Relations Department  
700 University Avenue, Suite 1500  
Toronto, Ontario M5G 0A1  
Email: [ir@intact.net](mailto:ir@intact.net)  
Phone: (416) 341-1464 or  
1 (855) 646-8228 (toll-free within North America), ext. 41004

## Shareholders

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For changes in share registration, address changes, dividend information, estate transfers and duplicate mailings.

Computershare Investor Services Inc.  
100 University Avenue, 8th floor  
Toronto, Ontario M5J 2Y1  
Email: [service@computershare.com](mailto:service@computershare.com)  
Phone: 1 (800) 564-6253

## Independent Directors

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For inquiries related to Board of Directors structure and composition, Board of Directors and CEO performance, executive compensation, succession planning, corporate governance practices and disclosure, material strategic decisions and overall corporate performance.

Executive Vice President & Chief Legal Officer  
Intact Financial Corporation  
2020, Robert-Bourassa Blvd, 6th floor  
Montréal, Québec H3A 2A5  
Email: [corporate.secretary@intact.net](mailto:corporate.secretary@intact.net)  
Phone: (514) 985-7111 x 83131 or  
1 (888) 221-7111 (toll-free within North America)

## Management

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For inquiries related to the Company's general business operations, financial results, strategic direction and similar matters.

Intact Financial Corporation  
Investor Relations Department  
700 University Avenue, Suite 1500  
Toronto, Ontario M5G 0A1  
Email: [ir@intact.net](mailto:ir@intact.net)  
Phone: (416) 341-1464 or  
1 (855) 646-8228 (toll-free within North America), ext. 41004

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Further information relating to Intact Financial Corporation may be obtained from its website at [www.intactfc.com](http://www.intactfc.com) and from the SEDAR website at [www.sedar.com](http://www.sedar.com).

Financial information is provided in the Company's comparative financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2022 and these documents are accessible through SEDAR. To obtain a copy of these documents together with the Company's Annual Information Form, when available, at no cost, please contact the Investor Relations Department of the Company.





**Intact Financial Corporation**

700 University Avenue  
Toronto, Ontario M5G 0A1

