INTACT FINANCIAL CORPORATION

MANAGEMENT PROXY CIRCULAR 2022

Notice of Annual Meeting of Shareholders | May 11, 2022

Our Purpose, Values and Core Belief

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

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

Integrity	Respect	Customer-driven	Excellence	Generosity
Be honest, open and fair Set high standards Stand up for what is right	Be kind See diversity as a strength Be inclusive and collaborate	Listen to our customers Make it easy, find solutions Deliver second-to-none experiences	Act with discipline and drive to outperform Embrace change, improve every day Celebrate success, yet remain humble	Help others Protect the environment Make our communities more resilient

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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.

What we are aiming to achieve

3 out of 4 customers are our advocates

4 out of 5 brokers value our specialized expertise

Our customers are our ADVOCATES

Our people are ENGAGED

We are a **best employer**

Our employees and leaders are **representative of the communities we serve**

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

Our company is one of the MOST RESPECTED

Exceed industry **ROE by 5pts**

Grow NOIPS **10% yearly over time**

Our strategic roadmap

10% NOIPS GROWTH ANNUALLY OVER TIME

Expand our leadership position in Canada

- Leading customer experience
- 3 out of 4 customers digitally engaged
- Scale in distribution
- Further consolidation in Canada
- Outperform industry combined ratio by 5 pts

Strengthen our leading position in UK & Ireland

- Leading customer experience
- 3 out of 4 customers digitally engaged
- Optimize Underwriting performance
- Focus footprint for outperformance
- Low 90's combined ratio

Build a Specialty Solutions leader

- Specialized customer value proposition
- Expand distribution
- Profitable & growing mix of verticals
- Consolidate fragmented market
- Low 90's combined ratio

500 bps ANNUAL ROE OUTPERFORMANCE*

Transform our competitive advantages

- Global leader in leveraging data and AI for pricing and risk selection
- Deep Claims expertise & strong supply chain network
- Strong capital & investment management expertise

STRENGTHEN OUR OUTPERFORMANCE MINDSET

Invest in our people

- Be a best employer
- Be a destination for top talent & experts
- Future proof our people to succeed

*Based on a weighted-average industry ROE of P&C insurers in Canada, US and the UK.

Your Vote Matters

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 9 to 15** of this Management Proxy Circular.

Location of Annual Meeting of Shareholders

Virtual-only Meeting

In the still uncertain context of the COVID-19 pandemic, the well-being and safety of our communities, shareholders, employees and other stakeholders are our top priority. As such, 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/486784878**.

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/486784878** 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 appoint yourself as proxyholder and you MUST register with Computershare, our transfer agent, **http://www.computershare.com/intactfinancial** after submitting your voting instruction form. Computershare will provide you with a username for the Meeting.
- **Password:** intact2022

Please refer to **pages 9 to 15** for more information on how to attend and vote at the Meeting or how to appoint a proxyholder.

Letter to Shareholders

March 31, 2022

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 2022 Annual Meeting of Shareholders of Intact Financial Corporation that will take place on May 11, 2022 at 1:00 p.m. (Eastern Time).

In the still uncertain context of the COVID-19 pandemic, the well-being and safety of our communities, shareholders, employees and other stakeholders are our top priority. As such, 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/486784878**. 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 Meeting of Shareholders of Intact Financial Corporation.

Sincerely,

Claude Dussault
Chair of the Board
of Directors

Charles Brindamour
Chief Executive Officer

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Quick Links

This icon represents data relevant to environmental, social and governance (ESG) disclosure including its impact on our results where applicable.

Notice of Annual Meeting of Shareholders of Intact Financial Corporation

Date: Wednesday, May 11, 2022
Time: 1:00 p.m. (Eastern Time)
Place: Virtual – only meeting via live webcast at: **https://web.lumiagm.com/486784878**

Business of the Meeting:

1. Receive the consolidated financial statements for the year ended December 31, 2021, and the auditor's report on those statements;
2. Appoint the auditor;
3. Elect Directors;
4. Approve the non-binding advisory resolution to accept the approach to executive compensation disclosed in the Management Proxy Circular; and
5. 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, 2022 are entitled to receive the Notice of Annual Meeting of Shareholders and will be entitled to vote at the Meeting. On the date, 176,050,908 Common Shares were issued and outstanding. Each holder of Common Shares is entitled to cast one (1) vote per Common Share held.

In the still uncertain context of the COVID-19 pandemic, the well-being and safety of our communities, shareholders, employees and other stakeholders continue to be our top priority. As such, 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/486784878**.

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

As permitted by Canadian securities regulators, the Company is using Notice and Access to deliver the Circular and its 2021 Annual Report to shareholders. Notice and Access allows the Company to post the Circular and 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 2021 Annual Report on SEDAR (**www.sedar.com**) and on the Company's website (**www.intactfc.com**) and how to request a paper copy of the circular and 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,

Frederic Cotnoir

Frédéric Cotnoir
Executive Vice President & Chief Legal Officer

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** 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, 2022, 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**, 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.

A leading provider of P&C insurance

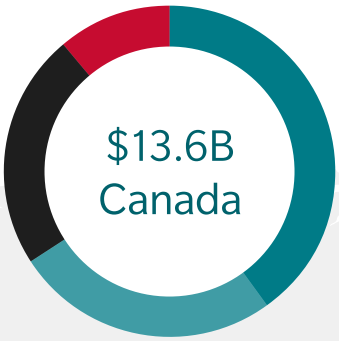
Largest provider of P&C insurance in Canada, a leading provider of global specialty insurance, and a leader in personal and commercial lines in the UK and Ireland.

$20.8B
in total annual operating DPW (proforma)[1]

$36.7B
Investment portfolio

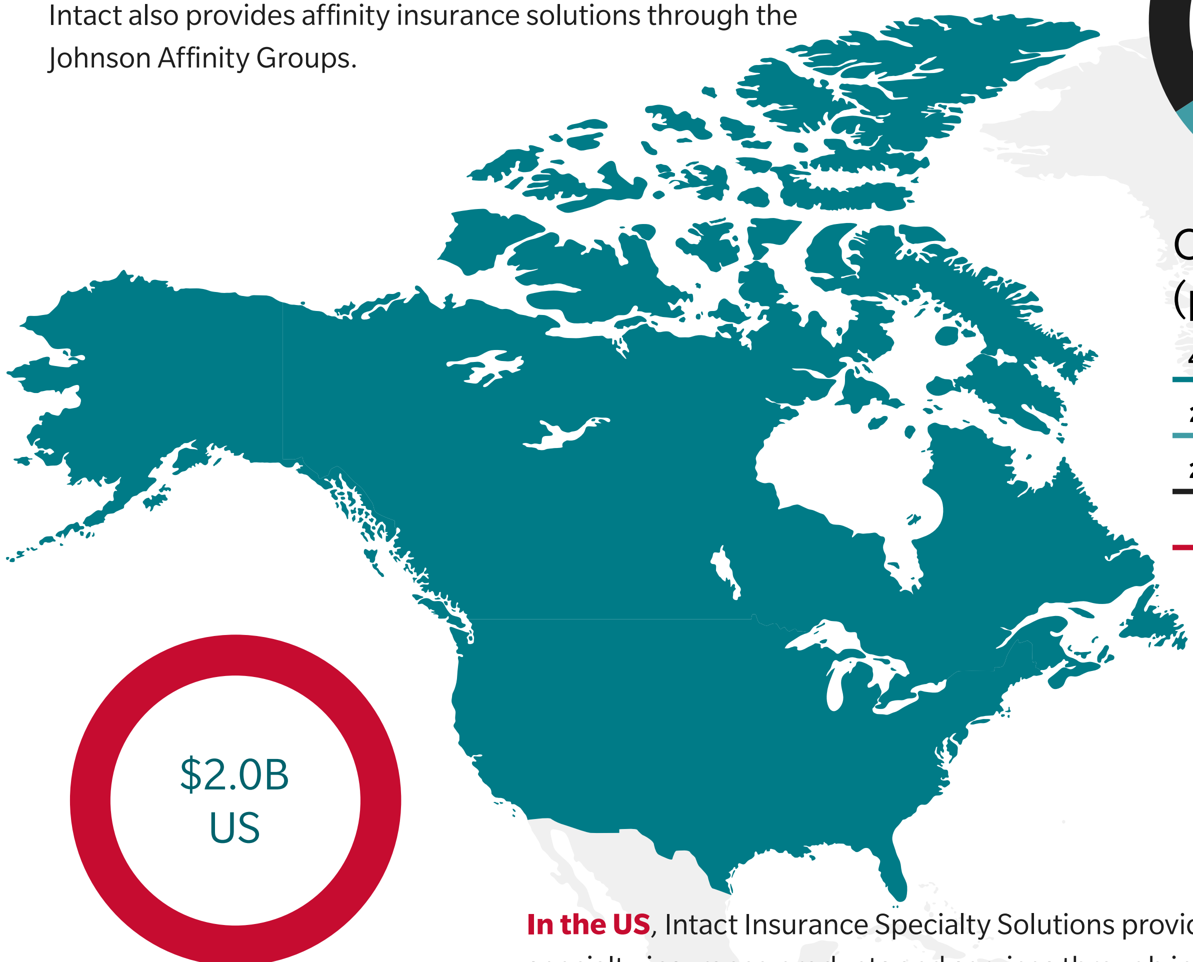
26,000 +
employees

In Canada, Intact distributes insurance under the Intact Insurance and RSA brands through a wide network of brokers, including its wholly-owned subsidiary BrokerLink, and directly to consumers through belairdirect. Intact also provides affinity insurance solutions through the Johnson Affinity Groups.



Operating DPW (proforma)

- **40%** Personal auto
- **26%** Personal property
- **23%** Commercial lines
- **11%** Specialty lines



Operating DPW

- **100%** Specialty lines

In the US, Intact Insurance Specialty Solutions provides a range of specialty insurance products and services through independent agencies, regional and national brokers, wholesalers and managing general agencies. Intact Insurance Specialty Solutions is the marketing brand for the insurance company subsidiaries of Intact Insurance Group USA LLC.

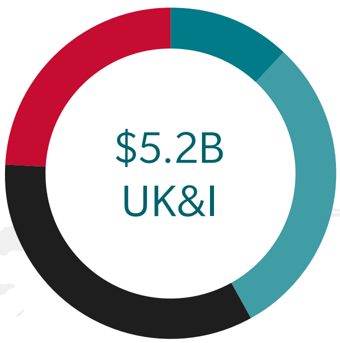
(1) Operating DPW (proforma) include the impact of the RSA Acquisition for a full year, which is a better indication of our annual premiums. There is no equivalent GAAP measure.

Large share of our portfolio is in Canada

$13.6B	$5.2B	$2.0B
65% Canada	25% UK&I	10% US

Specialty lines make up nearly a quarter of the overall premiums.

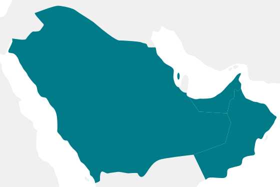
$6B	$5.2B	$4.8B	$4.8B
29% Personal auto	25% Personal property	23% Commercial lines	23% Specialty lines



Operating DPW (proforma)

- **12%** Personal auto
- **30%** Personal property
- **34%** Commercial lines
- **24%** Specialty lines

In the UK & International, RSA Insurance Group provides a range of personal and commercial products with significant businesses in the UK and Ireland where the RSA brand is joined by retail brands MORE THAN and 123.ie while RSA Luxembourg serves brokers and customers in Belgium, France, Spain and the Netherlands. In the Middle East, RSA operates in Bahrain and the UAE, and in Oman and Saudi Arabia through the Al Ahlia and Al Alamiya brands.



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 12 Directors	**FOR** each nominee	21, 24 to 36
Appointing EY as Auditors	**FOR**	20
Advisory Resolution on Executive Compensation	**FOR**	21

Director Nominees at a Glance

	Occupation	Age	Independent Director	Director since	% Vote FOR at 2021 Annual Meeting	Committee memberships	Board and Committee attendance 2021	Other current public boards	Share Ownership Requirement
Charles Brindamour	Chief Executive Officer, Intact Financial Corporation	51		2008	99.95%	–	8/8 (100%)	Canadian Imperial Bank of Commerce	Met
Emmanuel Clarke	Corporate Director	52	●	2021	n/a	Audit, Risk	7/7 (100%)	–	Has until July 22, 2026 to comply
Janet De Silva	President and CEO, Toronto Region Board of Trade	61	●	2013	99.21%	Audit, Risk	17/17 (100%)	–	Met
Stephani Kingsmill	Corporate Director	55	●	–	–	–	–	NorthWest Healthcare Properties REIT	If elected, has until May 12, 2027 to comply
Jane E. Kinney	Corporate Director	64	●	2019	97.75%	Audit, CRCG	17/17 (100%)	Cenovus Energy Inc. Husky Energy Inc.	Met
Robert G. Leary	Corporate Director	61	●	2015	99.95%	HRC, Risk	18/18 (100%)	Citizens Financial Group, Inc.	Met
Sylvie Paquette	Corporate Director	62	●	2017	99.22%	HRC, Risk	18/18 (100%)	–	Met
Stuart J. Russell	Professor of Electrical Engineering and Computer Sciences, University of California at Berkeley	60	●	2020	99.21%	HRC, Risk	18/18 (100%)	–	Has until May 6, 2025 to comply
Indira V. Samarasekera	Corporate Director and Senior Advisor, Bennett Jones, LLP	69	●	2021	98.99%	CRCG, HRC	9/9 (100%)	TC Energy Corporation/ TransCanada PipeLines Limited Stelco Holdings Inc. Magna International Inc.	Has until May 12, 2026 to comply
Frederick Singer	Corporate Director	59	●	2013	99.87%	Audit, CRCG	17/17 (100%)	–	Met
Carolyn A. Wilkins	Senior Research Scholar, Griswold Center for Economic Policy Studies, Princeton University	58	●	2021	99.96%	Audit, Risk	17/17 (100%)	–	Has until February 1, 2026 to comply
William Young	Corporate Director Chair, Magna International Inc. Chair, SNC-Lavalin Group Inc.	67	●	2018	97.38%	Audit, CRCG	17/17 (100%)	SNC-Lavalin Group Inc.	Met

2021 Developments

Our customers are our advocates

Being Customer-driven is one of our core Values and is foundational to our success. We provide a customer experience that is second to none, by leveraging our capabilities in artificial intelligence and our leadership in claims and supply chain management. We made progress on this front in 2021:

Digital engagement continues to be strong in Canada. In 2021, we achieved a 30% increase in mobile app log-ins and 23% growth in Client Centre account registrations, demonstrating a growing level of digital engagement with customers.

Updated versions of both the belairdirect and Intact Insurance mobile apps were launched to improve the customer experience, introduce new value-added features, and to enable further adoption of our telematics program.

To recognize hardship, changing driving behaviours and lower business activity resulting from the COVID-19 crisis, we provided over $600 million of relief in 2020 and 2021 to more than 1.2 million customers. Customer premium relief measures included premium reductions and payment flexibility, as well as a $50 million targeted relief program, which provided an additional support to approximately 100,000 vulnerable small business customers.

Our people are engaged

Our employees are essential to our success. We prioritize creating an inspiring and inclusive workspace where employees feel engaged and where they are rewarded for the difference they make. Below are a few examples of our progress in 2021:

Our 2021 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.

We anchored our inclusion efforts to drive inclusive behavioural change through learning, acknowledgement, and reflection. Through the development of learning programs, articles and resources, we focused on equipping employees and managers with a better understanding of the role they play to build a more inclusive workplace and be accountable for their actions, behaviours and language.

We introduced three mental health and well-being programs under the banners of Be Healthy Program, Mental Health Week Program and the online Mental Health and Well-Being portal, which was designed to simplify access to strategies and employee mental well-being resources.

Intact was named a Kincentric Best Employer in Canada, the U.S., and North America for 2021. Kincentric awards employers based on employee engagement, agility, engaging leadership, and talent focus. This is the sixth consecutive year we have achieved this status in Canada, and the third consecutive year in the U.S.

KINCENTRIC Best Employer CANADA 2021

KINCENTRIC Best Employer NORTH AMERICA 2021

KINCENTRIC Best Employer UNITED STATES 2021

Our Company is one of the most respected

Strong governance and our ethical standards are key to being one of the most respected companies and to successfully pursuing the Company's acquisition strategy. Between 1988 and 2021, the Company successfully completed 18 major acquisitions involving the integration of several P&C insurance businesses, including its most recent acquisition of RSA Insurance Group plc ("RSA"). The Company has also been consistently recognized over time by organizations examining our diversity, governance and disclosure practices. Below are a few examples of our achievements in 2021 and in the beginning of 2022:

On June 1, 2021, together with the Scandinavian P&C leader Tryg A/S, we completed the acquisition of RSA. We retained RSA's Canadian and UK&I operations, Tryg retained RSA's Swedish and Norwegian businesses and Scandi JV Co 2 A/S, which is co-owned by Intact and Tryg, owned RSA's Danish business. On June 11, 2021, we announced that Scandi JV Co 2 A/S had entered into a definitive agreement to sell RSA's Danish business to Alm.Brand for a total cash consideration of approximately $2.52 billion. Intact will receive 50% of the proceeds from the sale pursuant to the agreement with Tryg, and the transaction is expected to close in the first half of 2022.

We continued to accelerate our support of initiatives in climate adaptation with increased investments in applied research and community level projects to demonstrate the concrete benefits of resilience. We renewed our investment in the Intact Centre on Climate Adaptation at the University of Waterloo, an applied research centre establishing best practices to help homeowners, communities, governments and businesses identify and reduce the impacts of extreme weather and climate change.

Management continued to regularly engage with the Company's shareholders in 2021 and direct engagement between the Chair, our Directors and shareholders increased significantly. The Chair, accompanied by other Directors, met with shareholders representing approximately 42% of the ownership of the Company, compared to 33% last year, discussing a number of matters of interest, including strategy, financial performance and ESG matters.

IFC was ranked first in the 2021 edition of *The Globe and Mail Report on Business* – Board Games index for the second year in a row, in a five-way tie. Board Games evaluates the quality of governance practices and disclosure for Canadian publicly traded companies.

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.

In 2021, the Company was once again ranked among the leaders in corporate governance in Canada.

97.63%
approval on advisory resolution on executive compensation
(say-on-pay) at the 2021 Annual and Special Meeting of Shareholders

98.90%
average vote in favour of the election
of the director nominees in 2021

1st place
Globe & Mail Report on Business
– Board Games 2021

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
- 38.5% women representation on the Board of Directors in 2021 and policy requiring a minimum of 30% representation each of women and men on 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
- Robust Majority Voting Policy
- Board Renewal: Use of skills matrix, diversity matrix and evergreen list as part of 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

For our **2021 Corporate Governance Highlights**, please refer to page 47 of this Circular.

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 the Company's strategy and the long-term interests of shareholders

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. 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 and its shareholders.

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.

- 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 and certain other Executives
- 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
- 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 our **2021 Compensation Highlights**, please refer to pages 97 to 99 of this Circular.

1 Voting Information

This Management Proxy Circular is provided in connection with the solicitation of proxies to be used at the Annual 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 Wednesday, May 11, 2022 via live webcast, and at any adjournment thereof.

Why is Intact holding a virtual-only Meeting?

In the still uncertain context of the COVID-19 pandemic, the well-being and safety of our communities, shareholders, employees and other stakeholders continue to be our top priority. As such, we are taking extra health and safety precautions by 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.

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/486784878**. 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, 2022 (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, 2022, 176,050,908 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, 2022, 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 1-800-564-5253. You may also consult the list when you check in to the meeting.

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 either a request for voting instructions or a proxy 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** 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, 2022, 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**, 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 the individuals who have been nominated to serve on 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/486784878**. 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 online 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/486784878** and enter the 15-digit control number that appears on your form of proxy as your Username, and "intact2022" 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/486784878** and enter the Username provided by Computershare by email (see step 2 above) and "intact2022" as your password.

To be able to participate, interact, 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** or by mail at 100 University Avenue, 8th 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, 2022 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/486784878** 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 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, 2022, 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, 2022 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, by mail or phone, no later than 1:00 p.m. (Eastern Time) on May 9, 2022, 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**, 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, 8th Floor, Toronto, Ontario M5J 2Y1 no later than 1:00 p.m. (Eastern Time) on May 9, 2022, 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**).

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 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

Date of Information

The information contained in the Circular is given as at March 31, 2022, except where otherwise noted.

Glossary of Terms

Capitalized terms used in this Circular are defined in the glossary provided on page 144 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 (or GAAP) 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 38 – *Non-GAAP and other financial measures* of the Management's Discussion and Analysis for the year ended December 31, 2021 available on SEDAR (**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**.

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 2021 Annual Report – see below) on SEDAR (**www.sedar.com**) and on the Company's website (**www.intactfc.com**) and how to request a paper copy of the Circular free of charge.

The 2021 Annual Report, including the consolidated financial statements of the Company for the year ended December 31, 2021, 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**) and on the Company's website (**www.intactfc.com**), in accordance with Notice and Access. No vote will be taken at the Meeting in respect of the Company's 2021 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, 2022, CDPQ owned approximately 11.3% of the issued and outstanding Common Shares of the Company.

On February 15, 2022, the Company announced its intention to proceed with a normal course issuer bid to purchase for cancellation during the next 12-month period up to 5,282,458 Common Shares, representing approximately 3% of its issued and outstanding Common Shares as of February 8, 2022. Purchases of Common Shares commenced on February 17, 2022 and will expire on the earlier of February 16, 2023, 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 by contacting the Secretary's Office of the Company.

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 2023 is December 31, 2022.

Further information relating to Intact Financial Corporation may be obtained on its website at **www.intactfc.com** and on the SEDAR website at **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, 2021 and these documents are accessible through SEDAR.

3 Business of the Meeting

Where to find it

3.1 Financial Statements

You can find the Company's consolidated financial statements for the year ended December 31, 2021 in our 2021 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 the accounting firm of EY as auditor of the Company for the financial year commencing January 1, 2022 and ending December 31, 2022 and to hold office until the next annual meeting of shareholders.

EY has served as auditor of Intact Financial Corporation and its predecessor companies since 1993. Please note that the lead audit partner in charge of the services provided to the Company and its property and casualty insurance subsidiaries is replaced every seven (7) years.

EY was appointed as auditor of Intact Financial Corporation at the 2021 Annual Meeting of Shareholders of the Company. The detailed voting results of the past two years concerning the appointment of the auditor are set out below:

Year	Vote FOR	% Votes FOR	Votes withheld	% Votes withheld
2021	**107,879,474**	**94.79%**	**5,926,460**	**5.21%**
2020	107,956,618	91.73%	9,729,845	8.27%

Pre-approval of External Auditor Services

As part of the Company's corporate governance practices, the Audit Committee has adopted a policy restricting non-audit services that may be provided by EY to the Company or its subsidiaries. Prior to the engagement of the External Auditor for non-audit services, the Audit Committee must pre-approve the provision of such services with due consideration to avoiding an impact on auditor independence. This includes consideration of applicable regulatory requirements and guidance and the Company's own internal policies. Fees paid to the External Auditor for 2020 and 2021 are as follows:

Auditor Fees

(in thousands of dollars)	2021	2020
Audit Fees(1)	**6,368**	4,385
Audit-Related Fees(2)	**514**	1,649
Tax Fees(3)	**163**	371
All Other Fees(4)	**1,543**	–
Total	**8,588**	6,405

Notes:

(1) 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.

(2) 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.

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

(4) 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 2021 Annual Information Form on page 26 is hereby incorporated by reference. The AIF is available on SEDAR at 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 24 to 36** for more information about the Director nominees.

3.4 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 2021. 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	% of Votes FOR	Votes Against	% Votes Against
2021	**110,957,489**	**97.63%**	**2,689,895**	**2.37%**
2020	112,580,487	95.66%	5,105,976	4.34%

The "Statement on Executive Compensation" 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. Furthermore, in the event that 25% or more of the 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.

Please see the "Statement on Executive Compensation" section starting on **page 95** 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.

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 2022 Annual 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.

3.5 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

Where to find it

4.1 Nominees

The twelve (12) 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, 2021 and, with respect to non-related Directors, includes Common Shares and DSUs received in early 2022 for services rendered in the fourth quarter of 2021. 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.

Claude Dussault and Tim Penner are retiring and therefore will not be standing for re-election to the Board of Directors. Mr. Dussault has been a director of the Company since 2000, having served as its Chief Executive Officer from 2001 to 2007. We are pleased that he will remain a director on the Board of RSA UK as well as a member of our US Advisory Board. Management intends to present a motion at the Meeting to recognize his past contributions to the development of the Company and its subsidiaries.

The Company offers its sincere thanks to Mr. Dussaut and Mr. Penner for their important contributions to the progress of the Company, including Mr. Dussault's leadership as Chairman of the Board since 2008 and Mr. Penner's service as Chair of the Compliance Review and Corporate Governance Committee from 2013 to 2015 and as Chair of the Human Resources and Compensation Committee from 2015 to 2022.

See **page 60** for more information about Intact's Majority Voting Policy for the election of Directors.

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 twelve (12) nominees profiled below be elected, the gender diversity, geographic mix and average tenure of the Board of Directors for 2022 will be the following:

Gender

50% Male

50% Female

Geographic mix

59% Canada

33% USA

8% Europe

Tenure

58% 0–4 years

17% 5–8 years

17% 9–12 years

8% over 12 years[1]

See **pages 62 and 63** as well as **67 to 69** for more information about Director tenure and diversity, respectively.

[1] The CEO is also a Director of the Company since 2008.

Charles Brindamour, B.Sc.

Chief Executive Officer

Toronto, Ontario, Canada
Director since: 2008
Age: 51

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	2021 Meeting Attendance
Board	**8/8 (100%)**

Past Annual Meeting Voting Results	2020	2021
Votes FOR	117,474,461	**113,594,947**
% Votes FOR	99.82%	**99.95%**
Votes Withheld	212,002	**52,437**
% Votes Withheld	0.18%	**0.05%**

Securities Held	2020	2021	2021 $ value
Common Shares	296,374	**332,142**	**54,610,788**
RSUs*	47,821	**32,375**	**5,323,098**
PSUs**	111,581	**127,495**	**20,962,723**
Total Common Shares, RSUs, and PSUs	455,776	**493,012**	**80,896,614**

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 126 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

* 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 116 to 120 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 116 to 120 for further details.

Emmanuel Clarke

Independent Director

Hogen, Switzerland
Director since: 2021
Age: 52

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 twenty-five 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, Tremor Technologies, and Compre Group.

Board and Committee Membership	2021 Meeting Attendance
Board	3/3 (100%)*
Audit Committee	2/2 (100%)*
Risk Management Committee	2/2 (100%)*

Past Annual Meeting Voting Results	2020	2021
Votes FOR	–	–
% Votes FOR	–	–
Votes Withheld	–	–
% Votes Withheld	–	–

Securities Held	2020	2021	2021 $ value
Common Shares	–	274	45,051
DSUs	–	0	0
Total Common Shares and DSUs	–	274	45,051

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
–

* Mr. Clarke was appointed a member of the Board of Directors and of the Audit Committee and Risk Management Committee effective July 22, 2021. He attended every meeting held in 2021 following his appointment.

Janet De Silva, MBA

Independent Director

Toronto, Ontario, Canada
Director since: 2013
Age: 61

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	2021 Meeting Attendance
Board	**8/8 (100%)**
Audit Committee	**2/2 (100%)***
Human Resources and Compensation Committee	**3/3 (100%)***
Risk Management Committee	**4/4 (100%)**

Past Annual Meeting Voting Results	2020	2021
Votes FOR	117,301,691	**112,753,323**
% Votes FOR	99.67%	**99.21%**
Votes Withheld	384,772	**894,061**
% Votes Withheld	0.33%	**0.79%**

Securities Held	2020	2021	2021 $ value
Common Shares	5,310	**5,710**	**938,838**
DSUs	10,284	**11,940**	**1,963,175**
Total Common Shares and DSUs	15,594	**17,650**	**2,902,013**

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
–

* Ms. De Silva ceased to be a member of the Human Resources and Compensation Committee and was appointed a member of the Audit Committee effective in July, 2021. She attended every meeting held in 2021 following her appointment.

Stephani Kingsmill, B.Comm

New Director Nominee (Independent)

Toronto, Ontario, Canada
Age: 55

Key Skills

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

Ms. Kingsmill is an experienced executive who served in a wide range of roles in the insurance, asset management and real estate businesses of Manulife over her career, from 1988 to 2019. Most recently, she was Senior Advisor to Manulife's CEO and led the Company's ambitious expense efficiency program. Prior to that, Ms. Kingsmill was Executive Vice President, Human Resources with responsibility for Manulife's workforce of 35,000 people located primarily in 13 countries. From 2006 to 2010, she was Senior Vice President & General Manager, Real Estate, responsible for Manulife's multi-billion dollar investment portfolio of prime office and industrial properties across markets in Canada, the US and Asia. Ms. Kingsmill holds a Bachelor of Commerce (Honours) degree from Queen's University and the ICD.D designation from the Institute of Corporate Directors.

Securities Held	2021	2021 $ value
Common Shares	**594**	**97,665**
DSUs	–	–
Total Common Shares and DSUs	**594**	**97,665**

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

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

Jane E. Kinney, FCPA, FCA

Independent Director

Toronto, Ontario, Canada
Director since: 2019
Age: 64

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	2021 Meeting Attendance
Board	**8/8 (100%)**
Audit Committee (Chair)	**4/4 (100%)**
Compliance Review and Corporate Governance Committee	**2/2 (100%)***
Risk Management Committee	**2/2 (100%)***

Past Annual Meeting Voting Results	2020	2021
Votes FOR	117,007,896	**111,086,738**
% Votes FOR	99.42%	**97.75%**
Votes Withheld	678,567	**2,560,646**
% Votes Withheld	0.58%	**2.25%**

Securities Held	2020	2021	2021 $ value
Common Shares	500	**800**	**131,536**
DSUs	2,922	**4,527**	**744,329**
Total Common Shares and DSUs	3,422	**5,327**	**875,865**

Director Share Ownership Requirement	
4x Annual Retainer in Common Shares and/or DSUs	Has until May 8, 2024 to comply

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

* Ms. Kinney ceased to be a member of the Risk Management Committee and was appointed a member of the Compliance Review and Corporate Governance Committee effective in July, 2021. She attended every meeting held in 2021 following her appointment.

Robert G. Leary, J.D.

Independent Director

North Palm Beach, Florida, USA
Director since: 2015
Age: 61

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	2021 Meeting Attendance
Board	**8/8 (100%)**
Audit Committee	**3/3 (100%)***
Human Resources and Compensation Committee	**3/3 (100%)***
Risk Management Committee (Chair)	**4/4 (100%)**

Past Annual Meeting Voting Results	2020	2021
Votes FOR	116,959,198	**113,589,695**
% Votes FOR	99.38%	**99.95%**
Votes Withheld	727,265	**57,689**
% Votes Withheld	0.62%	**0.05%**

Securities Held	2020	2021	2021 $ value
Common Shares	2,645	**2,645**	**434,891**
DSUs	11,913	**13,827**	**2,273,435**
Total Common Shares and DSUs	14,558	**16,472**	**2,708,326**

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	
Citizens Financial Group, Inc.	2020–present

* Mr. Leary ceased to be a member of the Audit Committee and was appointed a member of the Human Resources and Compensation Committee effective in July 2021. He attended every meeting held in 2021 following his appointment.

Sylvie Paquette, B.Sc.

Independent Director

Québec City, Québec, Canada
Director since: 2017
Age: 62

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 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 is also certified as a corporate director (Administrateur de sociétés certifié (ASC)) by the Collège des administrateurs de sociétés.

Board and Committee Membership	2021 Meeting Attendance
Board	**8/8 (100%)**
Human Resources Compensation Committee	**6/6 (100%)**
Risk Management Committee	**4/4 (100%)**

Past Annual Meeting Voting Results	2020	2021
Votes FOR	117,008,876	**112,757,492**
% Votes FOR	99.42%	**99.22%**
Votes Withheld	677,587	**889,892**
% Votes Withheld	0.58%	**0.78%**

Securities Held	2020	2021	2021 $ value
Common Shares	2,000	**2,000**	**328,840**
DSUs	7,425	**8,233**	**1,353,670**
Total Common Shares and DSUs	9,425	**10,233**	**1,682,510**

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
–

Stuart J. Russell, Ph.D.

Independent Director

Berkeley, California, USA
Director since: 2020
Age: 60

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 served as Vice-Chair of the World Economic Forum's Council on AI and Robotics, 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., Faculty Science Ltd. and Semiotic Labs BV.

Mr. Russell is a recipient of the Presidential Young Investigator Award of the National Science Foundation, the IJCAI Computers and Thought 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. 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	2021 Meeting Attendance
Board	**8/8 (100%)**
Human Resources and Compensation Committee	**6/6 (100%)**
Risk Management Committee	**4/4 (100%)**

Past Annual Meeting Voting Results	2020	2021
Votes FOR	117,566,171	**112,752,687**
% Votes FOR	99.90%	**99.21%**
Votes Withheld	120,292	**894,697**
% Votes Withheld	0.10%	**0.79%**

Securities Held	2020	2021	2021 $ value
Common Shares	489	**1,674**	**275,239**
DSUs	0	**0**	**0**
Total Common Shares and DSUs	489	**1,674**	**275,239**

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
–

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

Independent Director

Vancouver, British Columbia, Canada
Director since: 2021
Age: 69

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	2021 Meeting Attendance
Board	4/4 (100%)*
Human Resources and Compensation Committee	3/3 (100%)*
Compliance Review and Corporate Governance Committee	2/2 (100%)*

Past Annual Meeting Voting Results	2020	2021
Votes FOR	–	112,497,471
% Votes FOR	–	98.99%
Votes Withheld	–	1,149,913
% Votes Withheld	–	1.01%

Securities Held	2020	2021	2021 $ value
Common Shares	0	0	0
DSUs	0	909	149,458
Total Common Shares and DSUs	0	909	149,458

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	
Bank of Nova Scotia	2008–2021
Magna International Inc.	2014–present
TC Energy Corporation	2016–present
Stelco Holdings Inc.	2018–present

* Dr. Samarasekera was appointed a member of the Board of Directors and of the Compliance Review and Corporate Governance Committee and Human Resources and Compensation Committee effective May 12, 2021. She attended every meeting held in 2021 following her appointment.

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

Independent Director

Great Falls, Virginia, USA
Director since: 2013
Age: 59

Key Skills

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

Mr. Singer is an internet pioneer and entrepreneur whose career and philanthropic accomplishments have spanned a broad range of sectors from media, education, arts, science and veterans affairs. Until December 2021, he was CEO of Echo360, which provides a next-generation educational software platform to help over 1,200 schools in 20 countries deliver better educational outcomes, he was subsequently named Chairman of the board of directors of Echo360. 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	2021 Meeting Attendance
Board	**8/8 (100%)**
Audit Committee	**5/5 (100%)**
Compliance Review and Corporate Governance Committee	**4/4 (100%)**

Past Annual Meeting Voting Results	2020	2021
Votes FOR	117,249,729	**113,496,336**
% Votes FOR	99.63%	**99.87%**
Votes Withheld	436,734	**151,048**
% Votes Withheld	0.37%	**0.13%**

Securities Held	2020	2021	2021 $ value
Common Shares	1,380	**2,380**	**391,320**
DSUs	16,419	**18,313**	**3,011,023**
Total Common Shares and DSUs	17,799	**20,693**	**3,402,343**

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
–

Carolyn A. Wilkins, BA, MA

Independent Director

Ottawa, Ontario, Canada
Director since: 2021
Age: 58

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 twenty-year career at the Bank of Canada, serving as Senior Deputy Governor from 2014 to 2020, setting monetary and financial system policies with 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	2021 Meeting Attendance
Board	8/8 (100%)
Audit Committee	5/5 (100%)
Risk Management Committee	4/4 (100%)

Past Annual Meeting Voting Results	2020	2021
Votes FOR	–	113,599,235
% Votes FOR	–	99.96%
Votes Withheld	–	48,149
% Votes Withheld	–	0.04%

Securities Held	2020	2021	2021 $ value
Common Shares	0	0	0
DSUs	0	1,167	191,878
Total Common Shares and DSUs	0	1,167	191,878

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
–

William L. Young, P. Eng., MBA

Independent Director

Lexington, Massachusetts, USA
Director since: 2018
Age: 67

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 has been a member of the Magna International board of directors since 2011 and has chaired that board since 2012. More recently, he was appointed Chair of the board of directors of SNC-Lavalin Group Inc. in September 2020. 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 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	2021 Meeting Attendance
Board	**8/8 (100%)**
Audit Committee	**5/5 (100%)**
Compliance Review and Corporate Governance Committee (Chair)	**4/4 (100%)**

Past Annual Meeting Voting Results	2020	2021
Votes FOR	116,104,564	**110,675,488**
% Votes FOR	98.66%	**97.38%**
Votes Withheld	1,581,899	**2,971,896**
% Votes Withheld	1.34%	**2.62%**

Securities Held	2020	2021	2021 $ value
Common Shares	8,200	**8,200**	**1,348,244**
DSUs	3,536	**4,561**	**749,920**
Total Common Shares and DSUs	11,736	**12,761**	**2,098,164**

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	
Magna International Inc.	2011–2022
SNC-Lavalin Group Inc.	2020–present

4.2 Director Compensation

Total Compensation Paid to Directors in 2021

The total compensation paid to Directors of the Company during the year ended December 31, 2021, 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[(3)] ($)	Share-Based Awards (DSUs)[(1),(2)] ($)	Share-Based Awards (Common Shares) ($)	Percentage of Fees in Cash/DSUs/ Shares[(6)] (%)	Total ($)
Emmanuel Clarke	14,702	0	105,801	12/0/88	120,503
Janet De Silva	0	236,000	0	0/100/0	236,000
Claude Dussault	317,026[(4)]	215,000	0	46/54/0	462,070
Jane E. Kinney	0	253,000	0	0/100/0	253,000
Robert G. Leary	210,618[(5)]	272,780	0	0/100/0	393,454
Sylvie Paquette	129,000	107,000	0	55/45/0	236,000
Timothy H. Penner	146,000	0	107,000	58/0/42	253,000
Stuart J. Russell	64,729	0	194,999	25/0/75	259,728
Indira V. Samarasekera	0	150,418	0	0/100/0	150,418
Frederick Singer	0	254,111	0	0/100/0	254,111
Carolyn A. Wilkins	23,761	191,917	0	11/89/0	215,678
William L. Young	129,458	155,825	0	45/0/55	285,284

Notes:

(1) 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.

(2) The number of DSUs granted to each Director in 2021 is disclosed in the table entitled "Outstanding Director Share-Based Awards" on page 42.

(3) The cash component of our U.S. Directors' compensation 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 U.S. Directors' compensation has been converted to Canadian dollars using the exchange rate as at December 31, 2021, which was 1.2677.

(4) The amount includes compensation for service on the Company's U.S. Advisory Board. Such compensation was paid in quarterly installments in U.S. dollars and has been converted to Canadian dollars for the purpose of the table above, using the exchange rate as at the end of each quarter, which was 1.2054 in Q1, 1.2540 in Q2, 1.2385 in Q3, and 1.2677 in Q4. It also includes compensation for services on the UK&I board post-acquisition which was paid in GBP and has been converted to Canadian dollars, using the exchange rate as at December 31, 2021, which was 1.7132.

(5) The amount also includes a one-time special payment in an amount of $100,000 for services rendered by Mr. Leary prior to the closing of the RSA Acquisition. 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 the date of payment, which was 1.20675. 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, 2021, which was 1.7132.

(6) 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 Director of the Company (excluding any 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 39.

Directors' Compensation for 2021 and 2022

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

Activities of the CRCG Committee

2017

The CRCG Committee retains WTW to review the composition of the comparator group used to benchmark Directors' compensation in the context of the Company's expansion into the U.S. following the acquisition of OneBeacon.

WTW recommends, and the CRCG Committee approves that the comparator group approved by the Board of Directors for the 2018 compensation of Canadian Executives and Canadian Senior Executives with North American oversight also be used for Directors' compensation purposes.

2018

WTW independently carries out a comparative analysis of Directors' compensation using the North American Comparator Group.

CRCG Committee recommends to the Board of Directors changes to Director compensation, which are approved, to further align with the comparator group's median compensation.

The composition of the North American Comparator Group is reviewed and it is determined that it is still appropriate for Directors' compensation purposes.

2019

Changes to the North American Comparator Group are approved by the Board of Directors. The revised composition of the North American Comparator Group is still appropriate for Directors' compensation purposes, to be used for the 2020 compensation.

Management completes an internal review of Directors' compensation and upon the recommendation of the CRCG Committee, the Board of Directors approves Directors' compensation for 2020 without changes from 2019.

2020

A comprehensive review of the Company's Directors' compensation is undertaken by WTW and presented to the CRCG Committee to establish and approve Directors' compensation for 2021. It is concluded that the Company's compensation for its Board of Directors remains competitive with the market median.

The CRCG Committee recommends to the Board of Directors that the compensation for the Chair and members of the CRCG Committee be harmonized with that of the other committees.

2021

The CRCG Committee reviews a benchmarking exercise against peers performed by Management in regard to compensation of non-related Directors related to time spent for travel. Based on the review conducted, Management recommends introducing an air travel fee in addition to the usual reimbursement of travel expenses in normal course, for non-related Directors travelling to in-person meetings, based on air travel time. The CRCG Committee recommends to the Board of Directors the approval of the air travel fee.

WTW completes a full review of Director compensation in light of the RSA Acquisition. WTW recommends an increase to the annual retainer of the Chair and to the annual director fee, effective January 1, 2022 and applicable for the years 2022 and 2023 in order to bring the fees in line with the market median.

Upon recommendation of the CRCG Committee, the Board of Directors approves the proposed changes to Director compensation.

The fees payable in 2021 and 2022 and approved by the Board of Directors are described in the table below.

	2021	2022
Annual Retainer fee	$210,000: – $107,000 payable in DSUs or Common Shares – $103,000 payable in cash, DSUs or Common Shares	**$225,000: – $114,500 payable in DSUs or Common Shares – $110,500 payable in cash, DSUs or Common Shares**
Members of the CRCG 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**
Chair Retainer fees Chair of the Board	$400,000: – $215,000 payable in DSUs or Common Shares – $185,000 payable in cash, DSUs or Common Shares	**$420,000: – $215,000 payable in DSUs or Common Shares – $205,000 payable in cash, DSUs or Common Shares**
Chair of the CRCG 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**
Other fees		
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**

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.

The cash component of our U.S. 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.

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

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
U.S. Advisory Board	US$ 50,000	US$ 75,000

	Member	Committee Chair
UK&I Board	GB£ 70,000	GB£ 90,000

In 2021, no Director received compensation for service on Subsidiary boards, except for Mr. Claude Dussault who was member of the U.S. Advisory Board and the UK&I board, and Mr. Robert G. Leary who was 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 2021. 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 $210,000 in 2021, the minimum Director share ownership requirement in 2021 was $840,000 worth of Common Shares and/or DSUs ($1,600,000 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 $164.42 on the TSX as of December 31, 2021.

	Common Shares held (#)	DSUs held[1] (#)	Total value of all equity holdings ($)	Conformity with Director Share Ownership Policy
Emmanuel Clarke	274	0	45,051	Has until July 22, 2026 to comply
Janet De Silva	5,710	11,940	2,902,013	Yes
Claude Dussault	32,411	18,969	8,447,900	Yes
Stephani Kingsmill	0	0	0	If elected, will have until May 12, 2027 to comply
Jane E. Kinney	800	4,527	875,865	Yes
Robert G. Leary	2,645	13,827	2,708,326	Yes
Sylvie Paquette	2,000	8,233	1,682,510	Yes
Timothy H. Penner	22,081	0	3,630,558	Yes
Stuart J. Russell	1,674	0	275,239	Has until May 6, 2025 to comply
Indira V. Samarasekera	0	909	149,458	Has until May 12, 2026 to comply
Frederick Singer	2,380	18,313	3,402,343	Yes
Carolyn A. Wilkins	0	1,167	191,878	Has until February 1, 2026 to comply
William L. Young	8,200	4,561	2,098,164	Yes

(1) The number of DSUs is rounded to the nearest whole number.

As of January 1, 2022, the minimum Director share ownership requirement was increased from $840,000 to $900,000 for members of the Board of Directors. Unless a Director has already met the revised level of minimum ownership requirement, the additional retainer must be received in DSUs or Common Shares until the new requirements are reached.

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:

$114,500 DSUs or Common Shares

$110,500 Cash, DSUs or Common Shares

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 U.S. 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 U.S. 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 13,525 DSUs and 1,786 Common Shares were granted to eligible Directors in 2021.

Those Directors who elect to receive all or a portion of their compensation in DSUs are credited such amounts on record in quarterly installments, 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	Number of Common Shares granted in 2021[1] (#)	Market or Payout Value of Common Shares granted in 2021 at year-end[3],[5] ($)	Number of DSUs granted in 2021 that have not vested[2],[7] (#)	Market or Payout Value of DSUs Granted in 2021 that have not vested[3],[6] ($)	Number of DSUs Outstanding that have not vested[7] (#)	Market or Payout Value of DSUs Outstanding at year-end that have not vested[4] ($)	Payout Value of Vested DSUs ($)
						Share-Based Awards	
Emmanuel Clarke	274	45,051	0	0	0	0	N/A
Janet De Silva	0	0	1,656	272,232	11,940	1,963,190	N/A
Claude Dussault	0	0	1,674	275,265	18,969	3,118,880	N/A
Jane E. Kinney	0	0	1,605	263,971	4,527	744,361	N/A
Robert G. Leary	0	0	1,914	314,621	13,827	2,273,422	N/A
Eileen Mercier	0	0	421	69,254	20,557	3,379,957	N/A
Sylvie Paquette	0	0	808	132,927	8,233	1,353,737	N/A
Timothy H. Penner	329	54,094	0	0	0	0	N/A
Stuart J. Russell	1,183	194,508	0	0	0	0	N/A
Indira V. Samarasekera	0	0	909	149,410	909	149,410	N/A
Frederick Singer	0	0	1,894	311,390	18,313	3,011,020	N/A
Carol Stephenson[8]	0	0	0	0	0	0	2,512,268
Carolyn A. Wilkins	0	0	1,167	191,939	1,167	191,939	N/A
William L. Young	0	0	1,025	168,516	4,561	749,880	N/A

Notes:

(1) The number of Common Shares granted in 2021 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.

(2) The number of DSUs granted in 2021 was paid quarterly in four (4) equal installments 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 (15th) 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. In the event that any cash dividend was declared and paid on the Common Shares, an amount equal to the number of DSUs in the Director's account divided by the closing Common Share price on the TSX on the dividend payment dates was credited as DSUs to the Director's account.

(3) The market or payout value of DSUs/Common Shares granted in 2021 is based on the closing Common Share price of $164.42 on the TSX as of December 31, 2021.

(4) The market or payout value of DSUs outstanding is based on the closing Common Share price of $164.42 on the TSX as of December 31, 2021.

(5) The value of the Common Shares reflects the after-tax amount due to the immediate vesting of the Common Shares.

(6) The value reflects the before-tax amount due to the vesting period until the departure of the Director.

(7) The number of DSUs is rounded to the nearest whole number.

(8) Payout value of vested DSUs calculated is based on the closing Common Share price of $169.83 on the TSX as of July 21, 2021.

4.3 Additional Information Regarding Directors

Board of Directors and Committee Meetings in 2021

	Number of Meetings
Board Meetings	8
Committee Meetings	
Audit Committee	5
Compliance Review and Corporate Governance Committee	4
Human Resources and Compensation Committee	6
Risk Management Committee	4

Committee Composition and Director Independence

	Audit Committee	CRCG Committee	HRC Committee	Risk Committee	Independent Director
Claude Dussault					●
Charles Brindamour					
Emmanuel Clarke	●			●	
Janet De Silva	●			●	●
Jane E. Kinney	● (Chair)	●			●
Robert G. Leary			●	● (Chair)	●
Sylvie Paquette			●	●	●
Timothy H. Penner		●	● (Chair)		●
Stuart J. Russell			●	●	●
Indira V. Samarasekera		●	●		●
Frederick Singer	●	●			●
Carolyn A. Wilkins	●			●	●
William L. Young	●	● (Chair)			●

● 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. Since March 2020, the meetings have been held by videoconference or telephone due to the COVID-19 pandemic. 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, 2021.

	Number and % of meetings attended						
Director	Board of Directors	Audit Committee	CRCG Committee	HRC Committee	Risk Committee	Committees (Total)	Overall attendance
Claude Dussault	7/8 (88%)	5/5 (100%)	–	–	–	5/5 (100%)	12/13 (92%)
Charles Brindamour	8/8 (100%)	–	–	–	–	–	8/8 (100%)
Emmanuel Clarke	3/3 (100%)	2/2 (100%)	–	–	2/2 (100%)	4/4 (100%)	7/7 (100%)
Janet De Silva	8/8 (100%)	2/2 (100%)	–	3/3 (100%)	4/4 (100%)	9/9 (100%)	17/17 (100%)
Jane E. Kinney	8/8 (100%)	5/5 (100%)	2/2 (100%)	–	2/2 (100%)	9/9 (100%)	17/17 (100%)
Robert G. Leary	8/8 (100%)	3/3 (100%)	–	3/3 (100%)	4/4 (100%)	10/10 (100%)	18/18 (100%)
Sylvie Paquette	8/8 (100%)	–	–	6/6 (100%)	4/4 (100%)	10/10 (100%)	18/18 (100%)
Timothy H. Penner	8/8 (100%)	–	4/4 (100%)	6/6 (100%)	–	10/10 (100%)	18/18 (100%)
Stuart J. Russell	8/8 (100%)	–	–	6/6 (100%)	4/4 (100%)	10/10 (100%)	18/18 (100%)
Indira V. Samarasekera	4/4 (100%)	–	2/2 (100%)	3/3 (100%)	–	5/5 (100%)	9/9 (100%)
Frederick Singer	8/8 (100%)	5/5 (100%)	4/4 (100%)	–	–	9/9 (100%)	17/17 (100%)
Carol Stephenson	4/4 (100%)	–	2/2 (100%)	3/3 (100%)	–	5/5 (100%)	9/9 (100%)
Carolyn A. Wilkins	8/8 (100%)	5/5 (100%)	–	–	4/4 (100%)	9/9 (100%)	17/17 (100%)
William L. Young	8/8 (100%)	5/5 (100%)	4/4 (100%)	–	–	9/9 (100%)	17/17 (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 2021

The term of Ms. Carol Stephenson as Director of the Company ended on May 12, 2021. From January 1, 2021 to May 12, 2021, her attendance record as a Director was as follows:

Board	4/4
Compliance Review and Corporate Governance Committee	2/2
Human Resources and Compensation Committee	3/3

Attendance of Director whose term will end in 2022

The term of Mr. Claude Dussault as Director of the Company will end on May 11, 2022. From January 1, 2022 to March 31, 2022, his attendance record as a Director was as follows:

Board	2/2

The term of Mr. Timothy H. Penner as Director of the Company will end on May 11, 2022. From January 1, 2022 to March 31, 2022, his attendance record as a Director was as follows:

Board	2/2
Human Resources and Compensation Committee	2/2

5 Corporate Governance Practices

Where to find it

1st place

Globe & Mail
Report on Business
– Board Games 2021

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
- 38.5% women representation on the Board of Directors in 2021 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
- Robust **Majority Voting Policy**
- **Policy on external positions and interlocking** for Directors
- Board Renewal: Use of **skills matrix, diversity matrix and evergreen list** as part of 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 regards 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 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 page 54 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 CRCG Committee as well as the Audit Committee are notified, when required, in the event of complaints or fraudulent conduct.
- The Canadian subsidiaries of RSA have adopted "Living our Values" in 2021 and the UK&I companies are expected to follow suit in 2022.

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**) and on our website at **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

Integrity	**Respect**	**Customer-driven**	**Excellence**	**Generosity**
Be honest, open and fair Set high standards Stand up for what is right	Be kind See diversity as a strength Be inclusive and collaborate	Listen to our customers Make it easy, find solutions Deliver second-to-none experiences	Act with discipline and drive to outperform Embrace change, improve every day Celebrate success, yet remain humble	Help others Protect the environment Make our communities more resilient

These principles shape the Company's activities globally and apply to everyone at Intact. In 2021, "Living our Values" was adopted by Intact USA, BrokerLink, Intact Public Entities, On Side, and the Canadian subsidiaries of RSA. The UK&I RSA companies are currently transitioning towards adopting "Living our Values" in 2022 as part of the integration process.

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 and guide how we work with customers, colleagues and shareholders, and define our role in society. Living our Values directs how we do business and holds us accountable for our behaviour. It is a tool to help us do the right thing for our customers, colleagues, brokers, suppliers, service providers, consultants, shareholders and anyone else affected by our business.

Living our Values

- **Secretary and Compliance Team**
- **Policies & Reporting Mechanisms**
- **Ombudsman Office**
- **Privacy Office**
- **Whistleblower Hotline**
- **Data Governance Framework**
- **Compliance & Risk Ambassador**

In addition to Living our Values we maintain a governance and compliance structure and processes that help us detect and deter wrongdoing and encourage good corporate citizenship while guiding our actions. This structure is composed of:

- our Living our Values code of conduct that details our high ethical standards, and which is embedded into our internal training programs;
- the support of a dedicated Compliance team that follows legislative, governance, regulatory and compliance rules, trends and best practices, and strives to maintain a high level of good governance and a compliance mindset across our companies;
- robust policies and reporting mechanisms including whistleblower and incident reporting procedures that protect anonymity and confidentiality;
- an Ombudsman's Office and a Privacy Office with a North American focus that provide services mainly to insureds and employees who have queries in this regard or who wish to file a complaint;
- a dedicated Privacy office for our UK&I operations;
- a financial crimes taskforce overseeing all jurisdictions where we operate;
- data governance and data ethics principles on how the Company collects and uses data; and
- strict policies on conflicts of interest, disclosure of material information and insider trading.

For more 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**.

The compliance programs and systems are managed by the Company's full-time dedicated Compliance team, which reports to the Group Chief Compliance Officer who in turn reports independently to the Board of Directors and its committees and acts independently from the operations of the Company. In the UK&I, the senior compliance officer reports directly to the Group Chief Compliance Officer and is responsible for compliance oversight for this region. In addition, 39 representatives from the operational, corporate and Human Resources departments across North America also act as compliance and risk ambassadors throughout the Company.

- We provide a **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 team and results are communicated to the Audit and CRCG Committees, when relevant and required. The process is confidential and anonymous and there is no retaliation against anyone who reports a suspected violation.

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, media, respect in the workplace, proper use of the Company's assets, incident reporting, whistleblowing procedures and use of data.

All compliance issues are reported to the Corporate Compliance team, which makes a determination as to the most appropriate forum to deal with each issue. The Group Chief Compliance Officer reports independently to the CRCG Committee on a quarterly basis, which in turn reports to the Board of Directors on a quarterly basis. The Group Chief Compliance Officer also makes an annual report to the CRCG 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 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.

Relationship with customers

Over the years, the Company has also developed policies and processes related to the fair treatment of customers and adopted a national policy based on our core value of being customer-driven. This policy formalizes the roles and responsibilities of all employees and various stakeholders in putting forward initiatives that will benefit customers and promote their fair treatment across the Company. The CRCG Committee oversees the policies relating to customer relations, ensuring that they are aligned with our culture and purpose.

For more information regarding our relationship with our customers, our customer-driven policy and how we supported our customers in the context of the COVID-19 pandemic, please refer to the Company's Annual Report and Social Impact Report, which are available on the Company's website at **www.intactfc.com** and our Management's Discussion and Analysis for the year ended December 31, 2021 available on SEDAR at **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 2021. Should all proposed Director nominees be elected at the Meeting, the Board of Directors will be composed of 12 members after the Meeting. Biographical details with respect to the Director nominees can be found on **pages 24 to 36** of this Circular. We consider that the size of the Board of Directors and its committees in 2021 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 Board of Directors holds strategic sessions during all its regularly scheduled meetings to discuss the positioning of the Company, its long-term objectives and overall business strategy. It also holds a specific meeting focused on the Company's strategy.

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 A of this Circular), which is reviewed at least annually by the CRCG Committee and approved by the Board of Directors, sets out the responsibilities of the Board of Directors, as follows:

- reviewing and approving the strategic plan and material transactions;
- overseeing the Company's strategy, including reviewing and approving all major strategy and policy recommendations in light of the opportunities and risks pertaining to the Company;
- monitoring the Company's performance against the strategic plan using appropriate metrics and milestones at dedicated strategy meetings and discussions with Management throughout the year;
- ensuring that the Company has effective risk management programs and evaluating the Company's risk culture;
- setting the tone for the integrity, ethics and compliance culture throughout the organization;
- supervising Senior Management, oversight functions and human capital management matters as well as compensation and succession planning, including the appointment of the Chief Executive Officer and oversight functions, and ensuring that executives with complementary skills are in place to ensure sound management of the Company;
- monitoring of the Company's pension plans;
- overseeing and monitoring the Company's ESG and social impact initiatives, including with respect to diversity and inclusion;
- overseeing financial reporting, including ensuring the accuracy of financial statements and returns, that the Company has appropriate internal controls in place and that reporting and disclosure is done in a timely manner; and
- assessing its own effectiveness and that of its committees, committee Chairs and members.

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**.

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, Luxembourg, and the Middle East operations each have their own duly constituted boards and meet all relevant regulatory and governance requirements within their jurisdictions.

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 nine 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 the oversight of the overall business strategy of the Company.

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, 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.

ESG Oversight

IFC was built 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.

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 and compliance 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.

Compliance Review & Corporate Governance Committee

- our 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 and inclusion.
- 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.
- our initiatives to promote awareness of the potential impact of climate change and to provide practical solutions for our communities.
- our reinsurance programs, ensuring they adequately limit our losses in the event of significant weather-related losses and other catastrophic events.

For further details, please refer to the "Reports of the Committees" section beginning on page 80.

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.

The Board of Directors is ultimately responsible for overseeing the strategic direction and initiatives of the Company with regards to climate change risks. It is supported by its Committees in this regard.

The Risk Committee oversees the assessment and monitoring of the 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 the development of strategies to manage these risks.

The Audit Committee ensures that our segmentation and pricing practices are adapted to address climate change risks and trends in catastrophes and severe weather events.

The Risk Committee ensures that the design of our products and concentration of risks reflect climate change risk management practices and that our reinsurance programs adequately limit our losses in the event of significant weather-related losses and other catastrophic events.

The Board of Directors 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.

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 2021, we monitored and reviewed 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 the Office of the Superintendent of Financial Institutions as set out in its Corporate Governance Guideline (issued in January 2013 and revised in September 2018).

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.

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, 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 2021 Management's Discussion and Analysis for the year ended December 31, 2021, available on SEDAR (www.sedar.com).

Our COVID-19 response – Managing pandemic risks

- The Board of Directors continued to monitor the Company's response to the COVID-19 pandemic throughout 2021, most recently in light of the Omicron variant and related rise in cases. **Our strong risk management framework allowed the Company to take quick actions** in response to the pandemic – at its onset and throughout subsequent waves experienced in 2021. Our business continuity and major health and crisis plans ensured the protection of our employees while supporting continuation of operations.
- Our Crisis Management Committee continued to meet regularly throughout 2021 to review the situation and determine actions and strategies. Most recently, **we have identified highly critical business units and staff members, and reviewed all mitigation and contingency plans** should we start to see higher than normal absenteeism as a result of Omicron. We have also enhanced the frequency of our COVID-19 discussions at the Senior Leadership level. Employee absenteeism and Employee Assistance Program trends are currently being monitored very closely, given the recent increases in case counts.
- Our main focus continues to be on servicing our customers and ensuring the health and well-being of our employees. **Service levels to our customers have remained consistent and within target levels.** Since the onset of the pandemic, we have provided risk- and needs-based relief measures to our customers amounting to over $600 million.
- To date, **we have not experienced any material disruptions in services related to third parties** due to diversification in our supplier portfolio, high level of internationalization, a drop in frequency of claims given the pandemic and government measures in place, and classification of the insurance ecosystem as essential services. Changes to our working from home (or office) guidance were made throughout the year as the public health situation dictated. Enhanced safety measures were put in place during times of increased case counts. **A variety of mental health and well-being resources have been made available to employees and their families during these continued challenging times.** There have been no key initiatives or material control activities paused as a result of the continued and most recent rise in cases, however, potential impacts of Omicron (and related employee absences) are being monitored frequently by Senior Management.
- **The Company's progress on our action plans is monitored by the Board of Directors** as the situation continues to evolve, to ensure appropriate actions are taken by the Company to face the crisis. Please see section 5.5 Human Capital Management to see how the Company has responded to the COVID-19 pandemic to support its employees and reinforce its culture.

Risk Management Committee Structure

IFC Board of Directors

Risk Management Committee

Compliance Review and Corporate Governance Committee

Human Resources and Compensation Committee

Audit Committee

Enterprise Risk Committee

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

Cybersecurity Governance Committee

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

Disclosure Committee

Ensures all disclosures are complete, accurate and timely

Reinsurance Credit Committee

Ensures the credit risk associated with reinsurance counterparties is managed effectively

See pages 89 to 91 of this Circular for information on the members of the Risk Committee, its responsibilities and activities.

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 58 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.

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; and The CRO may call a meeting of the Board of Directors or the Risk Committee at any time.
Group Chief Compliance Officer	CRCG 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 the 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 2021 were independent.
- If all the Director nominees are elected at the Meeting, eleven (11) of the twelve (12) Directors in 2022 will be independent.
- Policy on Director Independence.
- The Audit Committee, HRC Committee (responsible for executive compensation), CRCG 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 24 to 36 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 CRCG 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.

Eleven (11) of the twelve (12) 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, may be found on pages 24 to 36 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.

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.

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 CRCG Committee or the Corporate Secretary, who shall make the necessary inquiries and report to the CRCG Committee if warranted. The CRCG 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.

It is 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". Mr. Young will step down from the Magna International board of directors in 2022. As a result, after the Magna International annual meeting of shareholders, there will be no Director Interlock among the candidates proposed for election.

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 CRCG 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 CRCG 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 2021, 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 2021.

Nomination of Directors

- The CRCG Committee acts as the nominating committee of the Board of Directors.
- Term of office and Board of Directors tenure framework in place.
- **Majority Voting Policy** in place.
- **A Skills Matrix as well as a Diversity Matrix has 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 2021, 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.
- In 2021, we adopted the **target to have at least one (1) Director who identifies as a member of a visible minority, Indigenous Peoples, persons with disabilities and/or LGBTQ+ by 2025.** We will further strive to have two (2) Directors who identify as members of these communities by that time.

The CRCG 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 CRCG 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

- The Board of Directors has adopted a robust majority voting policy for the election of Directors.

The Board of Directors has adopted a written majority voting policy stipulating that a Director nominee who receives more votes against their election than votes in his or her favour at an election of Directors at an annual and/or special meeting of shareholders will be considered not to have received the support of the shareholders and will be required to forthwith submit his or her resignation to the Board of Directors. Such resignation will be referred to the CRCG Committee for consideration.

The Board of Directors will promptly accept the resignation unless the CRCG Committee determines that there are extraordinary circumstances relating to the composition of the Board of Directors or the voting results that should delay the acceptance of the resignation or justify rejecting it. The Board of Directors will act on the CRCG Committee's recommendation within ninety (90) days of the shareholder meeting at which the election took place. Following the Board of Directors' decision on the resignation, its decision shall promptly be disclosed by press release and shall include the reasons for its decision.

This policy does not apply to contested meetings. A "contested meeting" is a meeting at which the number of Directors nominated for election is greater than the number of seats available.

Board of Directors' Skills Matrix

In 2021, the Skills Matrix used by the CRCG Committee to identify the talent and Board requirements for current and potential Directors was refreshed. It sets out a broad set of skills and knowledge needed on the Board of Directors and reflects its current strengths as a whole.

Management and the Board of Directors aim to develop a diversified Board of Directors composition that includes the following skills and strengths, which are in line with the needs of the Company, its mission and future development. The skills of each of the Director Nominees are identified within the Skills Matrix below (based on self-identification).

Skills(1)	Charles Brindamour	Emmanuel Clarke	Janet De Silva	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	●	●	●	●	●	●		●			●		8
Governance		●	●	●	●		●	●	●	●	●	●	10
Government / Public affairs			●						●	●	●		4
International markets	●	●	●	●		●				●		●	7
Investment management	●			●		●						●	4
Legal and regulatory affairs					●	●							2
Marketing / Brand awareness				●		●				●		●	4
P&C operations	●	●					●						3
Risk management	●	●	●		●	●	●	●		●	●		9
Social and environmental responsibility	●		●		●	●		●	●	●	●		8
Strategic leadership / Senior Executive	●	●	●	●	●	●	●	●	●	●	●	●	12
Talent management / Executive compensation	●	●	●	●	●		●	●	●	●		●	10
Technology	●				●			●	●	●			5

(1) 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

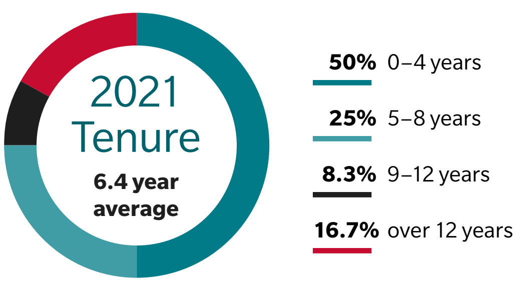
The Board of Directors has determined that a mandatory retirement age is not appropriate for the Company; however, the CRCG Committee has established a planned retirement schedule for all Directors as part of the succession planning process for the Board of Directors.

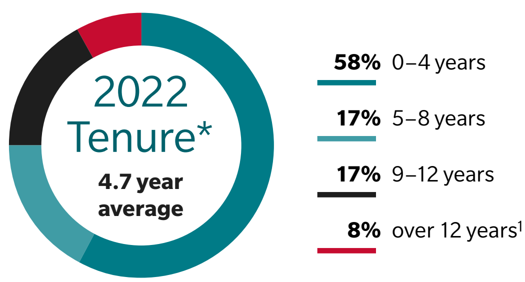
Furthermore, it believes that the current average tenure of its members constitutes an adequate balance between established Directors with experience with the Company, and recent Directors with new perspectives. In 2015, the Board of Directors implemented a tenure and term of office framework which states 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. The Company is continuing to transition to the tenure and term of office framework and aims to fully comply with the maximum period of service of 12 years as new Directors are named and the Board of Directors is refreshed.

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 CRCG 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 CRCG 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. When evaluating its composition, the Board of Directors always aims to balance various criteria between its independent members, including the representation of the Designated Groups, as well as skills, age, gender, tenure, linguistic background and residency. Instructions are given to any external firm retained to support Director recruitment efforts to integrate diversity as a key selection criterion. The evergreen list of potential candidates for the Board of Directors is maintained with a view to reflecting different dimensions of diversity. 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 CRCG Committee shall review the lists of Board of Directors committee members and make recommendations on their composition to the Board of Directors.

[1] The CEO is also a Director of the Company since 2008.

The CRCG Committee is also responsible for ensuring assessment of the Board of Directors and the members of the Board of Directors and its committees on an ongoing basis. As part of the process, the CRCG Committee will use the Board of Directors Skills Matrix in identifying the best Director candidates and will reflect on diversity of skills, age, tenure, linguistic background, residency, and the dimensions of diversity listed in the Company's Diversity Policy. Finally, the CRCG Committee will screen 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 CRCG Committee will take into account any Director Interlock before accepting that a candidate be proposed for nomination.

In 2021, specific candidates continued to be identified to fill potential vacancies or vacancies that may occur as a result of Directors retiring. The CRCG Committee reviewed its evergreen list for 2021 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, members of the CRCG Committee met 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 that are likely to occur in upcoming years.

The Nomination Policy process also provides for verification and monitoring of conflicts of interest and relationships with the Company and its affiliates, as well as the independence of Directors. Finally, the Nomination Policy and Diversity Policy provide for diversity criteria. For further details, please refer to the "Diversity and Inclusion" section on **page 67**.

These Board renewal mechanisms, along with the formal Board of Directors and committee assessment process, 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 requisition 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** and on SEDAR at **www.sedar.com**.

Board of Directors and Board Member Assessment

- The evaluation of the Board of Directors is overseen by the CRCG Committee with assistance from the Secretary's Office of the Company and with the support of an external consultant, as required.
- The CRCG 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.
- A self-assessment questionnaire is completed by all Directors.
- Committee Chairs also complete a self-assessment questionnaire and meet with the Chair of the Board of Directors to discuss their performance.
- The Chair of the Board of Directors is assessed by all Directors. The Chair of the CRCG 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 Directors	The Directors themselves (self-assessment)
Board of Directors	All Directors
Chair of the Board of Directors	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

The Board of Directors and Directors assessment process is overseen by the CRCG Committee and the Secretary's Office of the Company, with the support of an external consultant, as required.

Since the Company became publicly listed, the Board of Directors has been proceeding with its self-assessment. A self-assessment questionnaire is completed by all Directors. The results are analyzed by the Secretary's Office of the Company for the benefit of the CRCG Committee and the Board of Directors.

The CRCG Committee monitors the Board of Directors self-assessment process and reports to the Board of Directors, which also receives a summary report and analysis that includes all of the comments received from the Directors. The CRCG Committee also reviews and approves an action plan to address comments from the Directors with a view to improving Board of Directors and committee processes, documentation and performance.

Questionnaires and processes adapted to the particular context of the Company have been put into place for the self-assessment 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 self-assessment process includes completion of a self-assessment questionnaire by all of the Directors, who return it on a confidential basis to the Secretary's Office for analysis and reporting to the Chair of the Board of Directors, with recommendations. Each Director will then meet 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. The report is presented to the CRCG Committee.

- The CRCG Committee monitors the Board of Directors self-assessment process and reports to the Board of Directors.

Committee Chairs are assessed in a similar manner. Each committee Chair must complete a self-assessment and then meet with the Chair of the Board of Directors to discuss his or her performance.

Finally, the Chair of the Board of Directors is assessed by each Director, who gives his or her comments to the Chair of the CRCG Committee; the Chair of the CRCG Committee then discusses their assessment with the Chair of the Board of Directors.

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 CRCG 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 2021, 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 the 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 in 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 2021 are set out below:

Educational Event	Presenter	Date	Attendees
Financial market and economic reviews	IIM's operational investment team	February 5 May 10 July 23 November 8	All Risk Committee members
Strategic sessions and developments updates	Management	February 9 February 23 March 26 May 11 June 10 July 26, 27 November 9	All Directors (One Director was not present at the June 10 session)
Corporate governance best practices and industry benchmarking report, including a presentation on current issues and emerging trends in relation to the 2021 Annual Meeting of Shareholders of the Company	Legal and Compliance Team	February 8	All CRCG Committee members
Review of Data Governance/Guiding Principles	Legal and Compliance Team	November 8	All CRCG Committee members
Development updates on IFRS 9 and IFRS 17	Management	February 5 May 10 July 26 November 8	All Audit Committee members
Presentation on the UK Regulatory Landscape by external UK law firm	External advisors	February 23	9 of 12 directors
Presentation on RSA UK&I business and the market in which it operates	Management	July 23	9 of 13 directors
Presentation by one of Canada's leading government relations and public affairs consultants, on the current Canadian political climate and its impact on IFC	External advisors	October 26	All Directors

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.
- **The Diversity Policy adopted by the Board of Directors was revised in early 2022** to clarify that its targets for the representation of visible minorities, Indigenous Peoples, persons with disabilities and/or LGBTQ+ apply to the Board of Directors and Executive Officer positions. The Company has adopted targets to have 10% of the Executive Officers and at least one Director identify as a member of these communities by 2025. We will further strive to have two Directors who identify as members of these communities by that time. Should all Director nominees be elected at the Meeting, one (1) of the twelve (12) Board members will be a member of a visible minority.
- The Diversity Policy mandates the representation of at least 30% each of women and men on the Board of Directors. In 2021, the Company met this target with a female representation on the Board of Directors of 38.5%. **Should all Director nominees be elected at the Meeting, the female representation on the Board will be 50%.**
- The Diversity Policy also aims to have a representation of 30% for women in the Executive Officer positions. **We currently meet this target, with 31.3% women occupying these positions.**
- In 2020, the Company clarified how diversity is considered in the director recruitment process in its Diversity Policy.
- **We promote diversity, equity and inclusion** through various initiatives including our employee networks, inclusive behaviour training for managers, Living our Values Inclusively Program for all employees, 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 2021** 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.

The Board of Directors and Management monitor the Company's 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

has the meaning provided for 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 January 31, 2022, the Executive Officers were the individuals listed on pages 25 and 26 of the AIF.

Vice President and Higher

All Executives and Senior Executives are included in the Vice President and Higher positions.

Manager and Higher Positions

All managerial level positions, including team 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 various dimensions of diversity, namely gender, members of visible minorities, Indigenous peoples and persons with disabilities; this includes diversity of background, race and ethnicity, sexual orientation, as well as diversity of skills, experience and expertise. In 2019, this policy was amended in order to align it with the enacted amendments to the *Canada Business Corporations Act*, which require the disclosure of additional information regarding the representation of Designated Groups at the level of the Board of Directors and Executive Officers. In 2020, the Diversity Policy was further revised to incorporate more inclusive and explicit language relating to a number of dimensions of diversity. 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.

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

- instructions are given to any external firm retained to support Director recruitment efforts to integrate diversity as a key selection criterion;
- the Director Diversity Matrix and Skills Matrix are used to identify Director candidates whose profile complements and integrates effectively with the Board; and
- an evergreen list of potential candidates for the Board of Directors is maintained with a view to reflecting the various dimensions of diversity.

- The Company has signed the **Catalyst Accord 2022,** which calls 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. The Company has met both goals at the Board of Directors and Executive Officers levels.
- In 2020, the Company signed the **BlackNorth Initiative,** which calls on Canadian organizations to engage their corporate governance framework to foster inclusiveness of Black leaders at the board level, as well as at senior management and executive levels.

Board of Directors Diversity

The Board of Directors applies the diversity dimensions through its Nomination Policy and Diversity Policy as a means to strive to recruit candidates who are highly qualified based on their experience, functional expertise and personal skills. 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 based on the criteria discussed below, which include the different dimensions of diversity (including gender diversity and the representation of visible minorities, Indigenous Peoples, persons with disabilities and LGBTQ+). The Director Diversity Matrix and Skills Matrix are used to identify candidates whose profile complements and integrates effectively with the Board of Directors. The Company also maintains an evergreen list of prospective Directors that includes candidates who reflect the various dimensions of diversity.

The CRCG 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.

- **The Board of Directors 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 was an early signatory to the **30% Club Canada and the Catalyst Accord 2022,** reaffirming its continued support of the notion that it is good business practice to have women holding at least 30% of the seats on the Board of Directors as well as having strong representation in senior management.
- The Diversity Policy adopted by the Board of Directors was revised in 2022 to clarify that its targets apply to the Board of Directors and Executive Officers regarding members who identify as a member of a visible minority, Indigenous Peoples, persons with disabilities and/or LGBTQ+. We have adopted targets to have **10% of the members of the Executive Officers and at least one Director identify as members of these communities by 2025.** We will further strive to have two Directors identifying as members of these communities by that time.

	Gender Diversity		Person with disabilities, Indigenous People, Members of visible minorities and/or Members of the LGBTQ+ community	
	Target	Timeframe	Target	Timeframe
Board of Directors	30%	Met	At least 1 Director and will strive to have 2 Directors	2025

Through its long-standing actions, the Board of Directors has proven that it remains committed to gender diversity and will continue to strive to achieve gender balance. In 2021, our Board of Directors was composed of thirteen (13) Directors. Five (5) of the thirteen (13) Directors were women, representing 38.5% of the total, with one being Chair of a Board committee. In 2022, if all of the Director nominees are elected, women will represent 50% of its membership.

In 2021, one Director identified as a member of a visible minority. No Directors identified as Indigenous Peoples, a member of the LGBTQ+ community or as a person with disabilities. Our Diversity Policy highlights various dimensions of diversity and these criteria are taken into consideration in succession planning through the instructions that are given to any external firm retained to support director recruitment efforts to integrate diversity as a key selection criterion, the use of the Director Diversity Matrix and Skills Matrix to identify Director candidates whose profile complements and integrates effectively with the Board, and the maintenance of an evergreen list of prospective Directors that includes candidates that reflect the various dimensions of diversity. In 2022, if all Director nominees are elected, one (1) of the twelve (12) Board members will identify as a member of a visible minority, representing 8.3% 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 LGBTQ+ community.

New Directors are also recruited and selected based on their experience, functional expertise and personal skills to ensure good stewardship and governance of the Company.

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

	Women		Persons with disabilities		Indigenous peoples		Members of visible minorities			Number of individuals who are members of more than one designated group
	#	%	#	%	#	%	#	%	Total	
Board of Directors	6	50	0	0	0	0	1	8.3	12	1

2022 Board of Directors Diversity Matrix

	Age			Tenure				Gender			
	45-60	61-70	>70	0-4	5-8	9-12	>12	M	F	Residency	Person with disabilities, Indigenous People, Members of visible minorities and/or Members of the LGBTQ+ community
Charles Brindamour	●						●	●		CAN	
Emmanuel Clarke	●			●				●		Switzerland	
Janet De Silva		●				●			●	CAN	
Stephani Kingsmill	●			●					●	CAN	
Jane E. Kinney		●		●					●	CAN	
Robert G. Leary		●			●			●		USA	
Sylvie Paquette		●			●				●	CAN	
Stuart J. Russell	●			●				●		USA	
Indira V. Samarasekera		●		●					●	CAN	VM
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 Officers 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 visible minorities, Indigenous Peoples, persons with disabilities and/or LGBTQ+ by 2025.

	Gender Diversity		Persons with disabilities, Indigenous Peoples, Members of visible minorities and/or Members of the LGBTQ+ community	
	Target	Timeframe	Target	Timeframe
Executive Officers	30%	Met	10%	2025

As at March 31, 2022, 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 visible minorities, 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		Members of visible minorities			
	#	%	#	%	#	%	#	%	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 support the continued advancement of women at senior levels of Management over time.

Gender Diversity

As at December 31, 2021, Vice President and Higher positions within the organization, excluding UK&I, represented 218 positions; 87 of those positions or 39.9% were held by women. When considering all Managerial Positions, women held 52.2% 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
2021	39.9%(1)	52.2%
2020	37.2%	53.7%(2)
2019	35.9%	54.1%(3)
2018	37.2%	54.2%
2017	32.7%	No data(4)

(1) Proportion of women in 2021 Vice President and Higher positions excludes UK&I due to the recent acquisition and the unavailability of data.
(2) Proportion of women in 2020 Vice President and Higher positions and Managerial Positions excludes Intact Public Entities and On Side employees.
(3) Proportion of women in 2019 Vice President and Higher positions and Managerial Positions excludes On Side and Intact Public Entities employees due to the recent acquisitions and the unavailability of data.
(4) Proportion of women in 2017 Managerial Positions was not calculated for 2017 due to the OneBeacon acquisition.

Moreover, as part of its succession planning, the Company maintains a list identifying key women talent across the organization. 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. The Company understands the importance and impact of gender diversity and the Company will continue to promote the advancement of women in the organization.

Visible Minority Diversity

Through our Count Me In! campaign, we were able to collect additional self-identification diversity data from our employees in 2021, including regarding the representation of individuals identifying as members of a visible minority at our Vice President and Higher positions and Managerial Positions.

Year	Proportion of members of visible minorities in Vice President and Higher positions	Proportion of members of visible minorities in Managerial Positions
2021	12.4%(1)	18.5%(2)
2020	11.7%(3)	15.1%(3)

(1) Excluding UK&I.
(2) Excluding UK&I, On Side, Intact Public Entities, and BrokerLink.
(3) Excluding Intact Public Entities and On Side employees.

The Company will continue to promote the various dimensions of diversity in its pipeline of leadership talent.

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 2021, our Diversity, Equity & 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 Womentum Women's Network, the LGBT and Allies Network and the WoMIN & Allies Employee 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 celebrating numerous diversity and inclusion events 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.

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**.

5.5 Human Capital Management

- Effective **management of human capital 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 has strategic oversight of the Company's human capital management** and is assisted in this regard by its HRC Committee and CRCG 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.
- The Company has emphasized existing programs and resources and provided new resources to **help employees navigate the challenges caused by the COVID-19 pandemic** and adjust to a new work model, including tools for managers to be better equipped in this new work environment, while continuing to work to meet the Company's performance goals.
- **A comprehensive onboarding plan was put in place to welcome RSA employees.** We developed a Welcome hub, had a dedicated Welcome day, and held multiple townhall meetings in order to seamlessly integrate new employees into the Intact family.
- 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, 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.

Over
26,000
employees on December 31, 2021

74.1%[1]
of team leader, manager and director positions in Canada were filled internally in 2021

52.2%
of Managerial Positions were held by women on December 31, 2021

24%[2]
of employees identified as a visible minority in 2021

[1] Excluding Intact Public Entities and On Side
[2] Excluding UK&I, BrokerLink, Intact Public Entities and On Side

Strategy

Human capital is a key component of the Company's strategy and central to the success of our customer-driven initiatives. Increasingly people are expressing concern related to the impact of technology on jobs and whether workers can get ahead of the expected changes. Our goal is to help employees navigate this uncertainty and gain new skills while continuing to provide good job opportunities into the future.

We seek to have a highly engaged workforce.

By being a best employer.	By being a destination for top talent and experts.	By future-proofing our people to succeed in a changing world.

The Company has been recognized as a top employer and among the best places to work in Canada and in the U.S. Organizations that have recognized the Company (or its operating subsidiaries) include:

KINCENTRIC Best Employer CANADA 2021

KINCENTRIC Best Employer NORTH AMERICA 2021

KINCENTRIC Best Employer UNITED STATES 2021

Oversight

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

Organization 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 the current context, it also includes overseeing the Company's response to the COVID-19 pandemic, including the measures taken to ensure the safety and well-being of its employees during this crisis. In this regard, in 2021 the HRC Committee held specific discussions regarding, among other COVID-19 related topics, the health and well-being of the workforce, return to office plans, and the tools deployed to keep employees connected and allow them to work more collaboratively and efficiently from a remote environment.

The Board of Directors is assisted by the HRC Committee and CRCG 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. The CRCG Committee retains primary oversight responsibility for the policies and programs of the Company relating to market conduct and our relationship with customers.

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 team is 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.

Our COVID-19 response – Supporting our workforce and reinforcing our culture

- We have promoted and reinforced our culture throughout our organization while the majority of our employees have been working from home due to the COVID-19 pandemic. Senior Management has provided our workforce with regular written and video messages regarding a variety of topics, including updates on key developments on corporate strategy, the Company's response to the COVID-19 pandemic, our customer relief measures, corporate donations, employee support resources, the Company's performance results, and the Company's recent diversity and inclusion initiatives. These messages are framed within our Values and reinforce the importance for employees to live the Company's Values each day.
- The Company continues to monitor the evolution of the COVID-19 pandemic and adapts its response to the crisis accordingly, following recommendations of governmental authorities.
- Since the onset of the COVID-19 pandemic, protecting the health and well-being of our employees and their families is our top priority. In 2021, taking the time to check in on our mental health and connecting with our support network was more important than ever. As the pandemic lingered, reports highlighted the cumulative impact on the mental health and well-being of Canadians. We responded by augmenting our existing mental health and resilience supports for our employees.
- We introduced three mental health and well-being programs under the banners of Be Healthy Program, Mental Health Week Program and the online Mental Health and Well-Being portal, which was designed to simplify access to strategies and employee mental well-being resources.

For further information regarding the Company's engagement with its employees and the measures and initiatives adopted to support employees in the context of the COVID-19 pandemic, please refer to the Company's Social Impact Report, which is available on the Company's website at **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.

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 95** 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.

The Board of Directors is responsible for ensuring that the Company is supported by an appropriate organizational structure, including a CEO and other 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 Executive Officer 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, 2021, available on SEDAR (**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. They are available to permanent employees who work at least 21 hours per week. 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**.

5.6 Shareholder Engagement

- The Board of Directors has adopted a **Shareholder Engagement Policy** in order to facilitate open dialogue and exchange of ideas between the Board of Directors and Management and shareholders.
- The Board of Directors has also adopted a **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 2021, **the Chair and other Directors met with shareholders representing approximately 42% of the ownership of the Company.**

The Board of Directors and Management welcome interaction with shareholders. 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 call is open to all and we hold our annual meeting of shareholders at different locations across Canada so that all our shareholders have the opportunity to participate. In 2020, 2021 and 2022 we decided to hold our annual meeting of shareholders as virtual meetings in response to the COVID-19 pandemic. Our website also provides extensive information about the Company.

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.

Despite the ongoing COVID-19 pandemic, we continued to engage with our shareholders in a virtual environment to ensure the safety of all participants. We maintained a robust calendar of events and high level of shareholder engagement in 2021. 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.
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)	Select analysts, portfolio managers and shareholders are invited to attend and Directors are present to discuss governance and strategy.
Annual Meeting of Shareholders	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 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 operations, 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 to 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) or related issues raised by the shareholder.
Ad hoc meetings as requested	Annually	Chair of the Board and Chair of HRC, Chair of CRCG 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 2021, direct engagement between the Chair, our Directors and shareholders increased significantly. The Chair, accompanied by other Directors, met with shareholders representing approximately 42% of the ownership of the Company compared to 33% last year. Management and investor relations met with shareholders representing approximately 65% of the ownership of the Company. The details of our engagement activities held in 2021 and the various topics discussed are provided below.

2021 Engagement

Who did we engage with in 2021

- Institutional investors
- Retail shareholders
- Pension funds

representing approximately

65%

of the Company's ownership

How did we engage in 2021

- Quarterly Earnings Calls
- Annual and Special Meeting of Shareholders
- Webcasts
- Individual Investor Meetings
- Fireside Chats
- Investor Conferences

Who did the engagement in 2021

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

Various topics were discussed among shareholders, Management and Directors in 2021, including:

- **RSA Acquisition and integration;**
- **IFC strategic priorities;**
- **COVID-19,** including business interruption, political exposure/litigation/reputation risks, learnings, how it has altered strategy as an organization, implications and opportunities;
- **CEO succession planning;**
- **auto insurance business,** including the rate environment, regulations, 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 acquisition framework;
- **capital deployment strategies;**
- **how the Board is addressing and focusing on ESG matters,** including diversity and inclusion matters;
- **Board member recruitment** and the expertise and aptitudes sought for Board of Directors composition;
- **Executive compensation and targets;**
- **climate change** risk and adaptation, and path to net zero and carbon neutrality;
- **ESG integration** in our investments;
- **cybersecurity and technology** investments;
- Board of Directors' view on **distribution and broker relationships;** and
- **employee engagement,** recruitment, retention, and talent pool.

In 2022, 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**.

5.7 Other Stakeholder Engagement

Our other stakeholders include customers, governments, employees and communities. Our purpose is helping people, businesses and society prosper in good times and be resilient in bad times. Reflecting our purpose and the context of the COVID-19 pandemic, we adjusted our approach to focus on the immediate needs of our employees, customers 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**, Management's Discussion and Analysis for the year ended December 31, 2021, 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 CRCG Committee.

Additional information about our governance programs may be found on SEDAR (**www.sedar.com**) where our Code of Conduct document is filed and on our website at **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

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 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 Compliance Review and Corporate Governance Committee

- Composed exclusively of independent Directors
- Met four (4) times in 2021
- Preparatory sessions before the CRCG Committee meetings were held by the Chair of the CRCG Committee with the Group Chief Legal Officer and other functions in the Company
- *In camera* sessions held at all meetings of the CRCG Committee


William L. Young


Jane E. Kinney


Timothy H. Penner


Indira V. Samarasekera


Frederick Singer

Role of the Compliance Review and Corporate Governance Committee

The CRCG Committee is responsible for ensuring a high standard of ethics, compliance and governance in the Company, including its pension funds, and that the Company meets its legal requirements and engages in best practices as determined by the Board of Directors. The CRCG Committee plays a crucial role in the integration of ESG principles throughout the Company's practices, particularly with respect to governance matters, ensuring that internal policies and controls are in place to protect and act in the best interests of all stakeholders. More information on the role and responsibilities of the CRCG Committee with respect to ESG oversight can be found on **page 53** of this Circular.

The CRCG Committee oversees (i) the governance framework of the Company and its pension plans, (ii) the compliance framework, and (iii) the compliance programs of the Company, which include related party transactions, market conduct programs and policies, as well as the implementation of corporate compliance initiatives.

As part of its mandate, the CRCG 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 CRCG 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 CRCG 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 toward enhancing the Company's strategic planning process and attaining its corporate objectives.

The full mandate of the CRCG Committee is available in the Corporate Governance section of the Company's website (**www.intactfc.com**).

Composition of the Compliance Review and Corporate Governance Committee

The CRCG Committee is composed of a minimum of three (3) Directors and is currently composed of five (5) 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 CRCG Committee met four (4) times in 2021. Members of Management participated in meetings at the invitation of the Chair of the CRCG Committee. Detailed materials were distributed in advance of each meeting, containing information which allowed the CRCG Committee to make informed decisions. *In camera* sessions were held at every meeting. Ms. Stephenson was a member of the CRCG Committee until her retirement from the Board of Directors in May 2021. Dr. Samarasekera and Ms. Kinney, who became members of the CRCG Committee as of July 2021, attended meetings of the CRCG Committee since that time. All of the other CRCG Committee members attended all of the 2021 meetings.

Board of Directors Appointment and Assessment Processes

The CRCG 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 CRCG 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 2021, the CRCG 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 above processes of the Board of Directors were managed by the Secretary's Office of the Company for 2021.

The Chair of the Board of Directors also privately discusses peer review with each member of the Board of Directors, and the Chair of the CRCG 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, 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 CRCG Committee and the Board of Directors, and realization of the action plan is also commented on by the Board of Directors members the following year. Please refer to the Board of Directors and Board Member Assessment section on **page 64** for additional information.

Corporate Governance

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

The CRCG Committee monitors ongoing developments regarding corporate governance and identifies potential conflicts of interest among Directors. The CRCG Committee also reviews governance topics that it identifies or 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 and executive compensation, conflicts of interest, diversity and human rights.

Pension Plan Governance Framework

The CRCG 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 CRCG 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 CRCG 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 subsidiaries. The CRCG Committee also approves related party transactions except those that the CRCG Committee must recommend to the Board of Directors for approval by law. The CRCG 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 CRCG Committee reviews and recommends to the Board of Directors for approval the appointment or dismissal, if deemed appropriate, of the Group CCO. The CRCG Committee periodically approves the mandate of the compliance function and obtains assurances that this function has the necessary budget 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 CRCG 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 CRCG 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, the CRCG Committee and the HRC Committee independently retained external consultants in 2021 occasionally or on a recurring basis for certain recurring subjects. Please see the reports of the Audit Committee, the CRCG Committee and the HRC Committee below, in this regard.

Activities of the Compliance Review and Corporate Governance Committee in 2021

In 2021, the CRCG Committee, in accordance with its mandate, accomplished the following key functions:

Board of Directors Appointment and Assessment

- Reviewed and approved the Board of Directors and committee assessment and conflict of interest questionnaire process for 2021;
- Conducted the assessments of the Board of Directors, the Chair of the Board of Directors and committee Chairs and its individual members;
- Reviewed possible candidates to the Board of Directors;
- Recommended 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;
- Reviewed and recommended for approval by the Board of Directors the Directors' compensation for 2022, including recommending for approval by the Board of Directors the introduction of a travel fee;
- Reviewed and recommended for approval by the Board of Directors the 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 board, and the Split Rock Insurance Ltd. board for 2022;
- Reviewed and recommended for approval by the Board of Directors the composition of the RSA board, and U.S. Advisory Board (including the nomination of a new member) and modifications to its mandate;

Corporate Governance

- Reviewed best practices and benchmarking and assessed policies in light of the Company's public company status;
- Reviewed the 2021 Management Proxy Circular, report of the CRCG committee and statement of corporate governance practices;
- Reviewed the IFC Shareholder Engagement Plan;
- Reviewed a report on IIM's 2021 Proxy Voting season and reviewed changes made to the IIM Proxy Voting Policy;
- Reviewed the proxy voting reports of proxy advisory firms ISS and Glass Lewis;
- Reviewed and recommended to the Board of Directors for approval the modifications to the Policy and Process for the Appointment of the CEO or NEOs to the Board of another High-Profile Organization;
- Reviewed and recommended for approval by the Board of Directors the Company's system of governance following the closing of the RSA Acquisition;
- Reviewed and recommended for approval by the Board of Directors the reorganization of RSA's corporate structure;
- Reviewed and recommended for approval by the Board of Directors the RSA Canadian P&C Board composition, governance structures and oversight function post-acquisition;
- Reviewed and recommended for approval by the Board of Directors amendments to the Corporate Disclosure and Insider Trading Policy;
- Reviewed and recommended for approval by the Board of Directors the renewal of the Framework for the recapitalization of Canadian P&C Companies;

Compliance, Regulation and Related Party Transactions

- Reviewed the quarterly reports on related party transactions;
- Reviewed the reports on human resources, legal, compliance and governance matters and matters related to litigation, regulatory inspections and investigations;
- Reviewed and approved the annual report to OSFI and to the AMF on the activities of the CRCG Committee
- Reviewed related party transactions between the Intact companies, including inter-company reinsurance agreements, inter-company charges, inter-company service agreements and transactions;
- Reviewed compliance reports indicating the key ongoing compliance risks, key incidents, key main issues, regulatory matters, and key compliance projects and objectives for 2021;
- Reviewed the Annual Report on Political Donations;
- Reviewed the Annual Report on Outsourcing;
- Reviewed and recommended for approval by the Board of Directors the composition of the Disclosure Committee (management-level committee);
- Reviewed the Capital Management Policy Quarterly Compliance Report;
- Reviewed and recommended for approval by the Board of Directors the composition of the Pension Committee (management-level committee);
- Reviewed and recommended for approval by the Board of Directors the investment fee assessment for the Company and Pension Funds;
- Reviewed and recommended for approval by the Board of Directors the modifications to the Distributors Financing, Equity Participation & Acquisition Policy;
- Recommended for approval by the Board of Directors various integration items relating to the acquisition of RSA;
- Reviewed the 2020 Officer of Market Conduct report;
- Reviewed the Compliance Action Plan, including with respect to regulatory compliance management;

Strategies and Mandate of the CRCG Committee

- Obtained assurances from the CCO that this function has sufficient resources to meet its mandate and act independently from the operations, and reviewed and discussed his 2021 objectives;
- Reviewed and recommended for approval by the Board of Directors the CRCG Committee report and Statement of Corporate Governance Practices sections of the 2021 Management Proxy Circular; and
- Reviewed and recommended for approval by the Board of Directors (i) modifications to the mandate of the CRCG Committee and (ii) that the mandate of the Chair of the Board be approved without modification.

The CRCG Committee is satisfied that it has appropriately fulfilled its mandate in 2021.

(Signed) Compliance Review and Corporate Governance Committee

William L. Young (Chair)
Jane E. Kinney
Timothy H. Penner
Indira V. Samarasekera
Frederick Singer

6.2 Audit Committee

- Composed exclusively of independent Directors
- Met five (5) times in 2021
- 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 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

William L. Young

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 53** 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 Audit Committee meets periodically with the Risk Committee in furtherance of their respective mandates.

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**).

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 six (6) 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 2021. 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. Mr. Leary, who was a member of the Audit Committee until May 2021, did not attend the July and November 2021 meetings of the Audit Committee. Ms. De Silva, who became a member of the Audit Committee as of July 2021, did not attend the February and May 2021 meetings and Emmanuel Clark, who was appointed to the Board of Directors on July 22, 2021, did not attend the February and May 2021 meetings of the Audit Committee. All other Audit Committee members attended all of the meetings of the Audit Committee held in 2021.

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 2021

In line with its mandate, the Audit Committee has performed the following key functions in 2021:

Financial Review

- 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 – *Certification of Disclosure in Issuer's Annual and Interim Filings*;
- Reviewed reports and updates on IFRS 17 and IFRS 9 and the status of key deliverables to implement related changes;
- 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;
- Reviewed and approved the 2020 Combined Statutory financial statements of Atlantic Specialty Insurance Company and The Guarantee Company of North America USA;
- Reviewed and recommended for approval by the Board of Directors the audited financial statements of the Canadian P&C companies of IFC as at December 31, 2020;
- Reviewed the Group CFO's quarterly reports;
- Reviewed the Corporate Finance updates, which include investment results;
- Reviewed the Chief Risk Officer and Group Chief Actuarial Officer and Canadian Appointed Actuary reports;
- Reviewed the actuarial peer review report based on data as of December 31, 2020;
- Reviewed the purchase price allocation for the RSA Acquisition;
- Reviewed the closing and opening balance sheet for the UK&I and RSA Canada segments;
- Reviewed the updated reporting structure and consolidation of financial results following the RSA Acquisition;
- Reviewed and recommended for approval by the Board of Directors the integration plan and the corporate reorganization plan following the RSA Acquisition;

Internal Controls and Disclosure Controls

- Reviewed and recommended for approval by the Board of Directors revisions to the Audit Committee Mandate;
- Reviewed the Regulatory Inspections and Investigations Report;
- Reviewed OSFI's annual supervisory letter and related action items;
- Reviewed the quarterly Internal Audit report;
- Reviewed reports on fraud and whistleblower investigations from the Group Chief Internal Auditor;
- Reviewed and recommended for approval by the Board of Directors the modifications to the 2022 Audit Plan to include RSA Canada where appropriate;
- Reviewed the report of the Corporate Audit Services self-assessment that was conducted with independent validation from the Institute of Internal Auditors;

External Auditor

- Reviewed the responsibilities of the two Auditors following the RSA Acquisition. EY remaining the external auditor of IFC and KPMG remaining the statutory auditor of RSA;
- Reviewed and recommended for approval by the Board of Directors the External Auditor's 2021 Audit Plan;
- Reviewed quarterly reports of the External Auditors;
- Reviewed all audit and permitted non-audit services performed by the External Auditors, as well as related fees, and recommended their approval to the Board of Directors (see details regarding fees on page 20 of this Circular);
- Reviewed the process and timeline for the External Auditor Assessments;
- Assured itself of the qualifications, performance and independence of the External Auditors (External Auditor Assessments);
- Recommended for approval by the Board of Directors the appointment of the Company's External Auditor;
- Approved the appointment of the U.S. insurance subsidiaries' external auditor;
- Approved the appointment of the RSA Canada subsidiaries' external auditor;
- Met regularly with the External Auditors without the presence of Management;

Strategies and Mandate of the Audit Committee

- Reviewed and recommended for approval by the Board of Directors the Audit Committee report of the 2021 Management Proxy Circular;
- Reviewed and recommended for approval by the Board of Directors the mandates of (i) the Audit Committee (including suggested changes), (ii) the Group CFO, (iii) the Group Chief Actuarial Officer (including suggested changes) and (iv) the Canadian Appointed Actuary (including suggested changes);
- Reviewed and recommended for approval by the Board of Directors the Corporate Audit Services Charter;
- Obtained assurances from the Group Chief Internal Auditor, the External Auditors, 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;
- Reviewed and discussed the 2021 objectives of the Group Chief Internal Auditor, the Group Chief Actuarial Officer and the Group CFO;
- Reviewed and recommended for approval by the Board of Directors various integration items relating to the acquisition of RSA; and
- Reviewed potential impacts on the business and risks from COVID-19.

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.

Private Meetings

The Audit Committee regularly held private meetings with each of the Group CFO, the Group Chief Internal Auditor, the External Auditors, the Chief Risk Officer, the Group Chief Actuarial Officer, and Management.

The Audit Committee is satisfied that it has appropriately fulfilled its mandate in 2021.

(Signed) Audit Committee

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

6.3 Risk Management Committee

- Composed exclusively of independent Directors
- Met four (4) times in 2021
- 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 include strategic risk, insurance risk, financial risk and operational risk.

With respect to ESG matters, the Risk Committee assists the Board of Directors in assessing and monitoring the 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 in developing strategies to manage these risks. The Risk Committee also oversees additional initiatives to promote awareness of the potential impact of climate change and provide practical solutions for society in general. More information on the role and responsibilities of the Risk Committee with respect to ESG oversight can be found on **page 53** 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 Risk Committee meets periodically with the Audit Committee in furtherance of their respective mandates and 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**).

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 2021 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. Ms. Kinney, who was a member of the Risk Committee until May 2021, did not attend the July and November 2021 meetings of the Risk Committee and Mr. Clarke, who was appointed to the Board of Directors on July 22, 2021, did not attend the February and May 2021 meetings of the Risk Committee. All other Risk Committee members attended all of the meetings of the Risk Committee held in 2021.

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, and 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, 2021, available on our website at **www.intactfc.com** and on SEDAR at **www.sedar.com**.

Activities of the Risk Management Committee in 2021

In line with its mandate, the Risk Committee has performed the following key functions in 2021:

Oversight of Risk Management

- 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 impact of the COVID-19 pandemic;
- Reviewed and recommended for approval by the Board of Directors the revised Enterprise Risk Management Policy, including amendments reflecting changes to the Company's structure and risk profile following the RSA Acquisition;
- Reviewed the market and economy risks that could affect the Company;
- Reviewed a report on COVID-19 impacts through the use of various stress tests that were developed last year;
- Reviewed the Quarterly Results and Investment Reports;
- Reviewed and recommended to the Board of Directors for approval various changes to the IFC Investment Policy and the Intact P&C Companies Investment Policy as part of the integration of RSA to reflect the updated investment strategy and risk and regulatory framework;
- Reviewed a report on the key risk management considerations of the acquisition of RSA, namely key valuation risks, execution risks and mitigation, and the resulting impact on IFC's top enterprise risks;
- Reviewed a report on UK pension funds considerations relating to the acquisition of RSA;
- Reviewed and recommended for approval by the Board of Directors the Intact Pension Funds amendments, including in relation to the RSA Canada plans;
- Reviewed and recommended for approval by the Board of Directors the IIM US allocation increase;
- Reviewed an IT risk management report;
- Reviewed the Company's positioning in respect of climate change risk, including investment management considerations;
- Reviewed a report on the operational risk with regards to cybersecurity;
- Reviewed stress tests and discussed potential remediation measures;
- Reviewed the 2021 Reinsurance programs and a preview of the 2022 Reinsurance programs;
- Reviewed the key highlights for the 2021 Financial Condition Test;
- Reviewed a report on the progress of the RSA investment management integration;
- Reviewed and recommended for approval by the Board of Directors new internal target capital ratios for all P&C companies;
- Reviewed and recommended for approval by the Board of Directors amendments to the Own Risk and Solvency Assessment (ORSA) Policy;
- Reviewed a report on reinsurance coverage benchmarking;
- Reviewed a report on earthquake risk and mitigating measures;
- Reviewed a report on solar storm risk assessment;
- Reviewed OSFI's annual supervisory letter and related action items;

Responsibility for Oversight Function

- Obtained assurances from the CRO that this function has sufficient resources to meet its mandate and act independently from the operations;
- Reviewed and approved the 2021 objectives of the CRO;
- Reviewed various integration items relating to the acquisition of RSA;

Compliance with Risk Policies

- Reviewed and recommended for approval by the Board of Directors risk management policies, including the revised Reinsurance Risk Management Policy and the Pension Fund Statement of Investment Policies and Procedures;

Strategies and Mandate of the Risk Committee

- Reviewed and recommended for approval by the Board of Directors the Risk Committee report of the 2021 Management Proxy Circular;
- Reviewed and recommended for approval by the Board of Directors the post-RSA Acquisition Canadian P&C board and management governance, and the group management and oversight function governance structures;
- Reviewed and recommended for approval by the Board of Directors the mandates of (i) the Risk Management Committee, (ii) the CRO (including suggested changes) and (iii) the Group Chief Actuarial Officer (including suggested changes); and
- Reviewed and recommended for ratification by the Board of Directors the composition of the Enterprise Risk Committee.

The Risk Management Committee is satisfied that it has appropriately fulfilled its mandate in 2021.

(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 six (6) times in 2021
- 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


Timothy H. Penner


Robert G. Leary


Sylvie Paquette


Stuart J. Russell


Indira V. Samarasekera

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 organization effectiveness, succession planning and compensation of employees, managers, Executives (defined as Senior Vice Presidents, Deputy Senior Vice Presidents and Vice Presidents of the Company) and Senior Executives (defined as CEOs, Presidents, Executive Vice Presidents, Vice Chairs and equivalent positions within the Company). 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 53 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 is also responsible for approving the actuarial valuation reports.

The HRC Committee reviews and assesses proposals for major reorganizations of the Company that affect the Senior Executive 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 that 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**).

Composition of the Human Resources and Compensation Committee

The HRC Committee meets the best practice requirements for independence. It is composed of five (5) Directors, all of them being 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 are eligible to participate in the Company's executive compensation programs.

The HRC Committee met six (6) times in 2021. 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. Ms. Stephenson and Ms. De Silva, who were members of the HRC Committee until May 2021, did not attend the June, July and November 2021 meetings. Dr. Samarasekera and Mr. Leary became members of the HRC Committee as of June 2021 and attended all meetings following their nomination. All other HRC Committee members attended all the meetings of the HRC Committee held in 2021.

Activities of the Human Resources and Compensation Committee in 2021

The HRC Committee, in accordance with its mandate, performed the following key functions in 2021:

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 2021 objectives, and reported to the Board of Directors its recommendations for the CEO's 2022 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 Executive compensation review, including that of the CEO, in light of the RSA Acquisition and the new scope of operations of the Company;
- **2020 STIP:** Reviewed and approved 2020 STIP payouts for Executives and Senior Executives and bonus payouts for employees;
- **2018-2020 LTIP:** Reviewed and approved 2018-2020 LTIP payouts made in 2021 for Executives and Senior Executives;
- **2021 STIP:** Reviewed and approved the 2021 Short-Term Incentive Plan performance metrics for Executives and Senior Executives;
- **2021-2023 LTIP:** Reviewed and recommended for approval to the Board of Directors amendments to the LTIP for Canadian and UK&I Senior Executives;
- **2022 STIP:** Reviewed and recommended for approval to the Board of Directors the 2022 Canada STIP, 2022 U.S. STIP and 2022 UK&I STIP targets, taking into consideration the RSA Acquisition and the new scope of operations of the Company;
- **2022-2024 LTIP:** Reviewed and recommended for approval to the Board of Directors the 2022-2024 LTIP Performance Metrics and Financial targets, taking into consideration the RSA Acquisition and the new scope of operations of the Company;
- **CRO Report:** Reviewed the CRO Report on the application of risk management policies to the STIP and LTIP.
- Reviewed the CRO Report on proposed changes to the Company's 2021 compensation program's appropriateness from a risk management perspective and compliance with the Principles for Sound Compensation Practices of the Financial Stability Board;
- Approved the adoption of the Executive Stock Option Plan ("ESOP") and the grant of performance-based stock option ("PSO") awards under the ESOP;
- Reviewed and recommended for approval to the Board of Directors modifications to the Employee Share Purchase Plan;
- Reviewed the Compensation Policy Statement;
- Reviewed and recommended for approval to the Board of Directors the amendments made to the pension plans of the RSA Canadian companies to name IFC as administrator and sponsor of the plans;
- Reviewed the actuarial valuation and audited financial statements of the Company's pension plans as at December 31, 2020 and the 2021 Company contributions;
- 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;

Assessments and Succession Planning

- Reviewed the 2020 performance assessment of the CEO and the CEO's performance objectives for 2021;
- Reviewed the succession plans of the CEO, the country CEOs, and the Chief Operating Officer;
- Reviewed the talent pool available for succession at Management and Executive levels;
- Reviewed quarterly reports on respect in the workplace and the 2021 people plan, including steps taken to manage the COVID-19 pandemic;
- Reviewed human resources structure;
- Reviewed the Company's 2021 People Strategic Priorities, including to be a best employer, to be a destination for top talent and experts, to future-proof our people to succeed and to ensure a smooth transition for all RSA employees;
- Reviewed the Company's plans to transition to Hybrid World, to be deployed in early 2022 if conditions permit;
- Reviewed quarterly human resources updates;

Strategies and Mandate of the HRC Committee

- Reviewed and recommended for approval by the Board of Directors the mandate of the HRC Committee;
- Reviewed and approved the Human Resources sections of the 2021 Management Proxy Circular;
- Reviewed and approved modifications to the management structure due to the RSA Acquisition which, given its materiality and international scope, called for all Senior Executives' functions to be reviewed and reassessed. As a result, some Executives and Senior Executives in corporate functions took on "Group" responsibilities with oversight responsibilities over the three regions (Canada, UK&I, and U.S.);
- Reviewed the Human Resources Reports presented by the Chief People Officer;
- Reviewed the Diversity and Inclusion Council report and action plans related to diversity in the workplace;
- Reviewed and recommended for approval to the Board of Directors amendments to the Company's Board and Senior Management Diversity Policy;
- Reviewed and recommended for approval to the Board of Directors changes to the mandate of the HRC Committee; and
- Reviewed and recommended for approval to the Board of Directors the mandate of the CEO.

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 to 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 2021.

(Signed) Human Resources and Compensation Committee

Timothy H. Penner (Chair)
Robert Leary
Sylvie Paquette
Stuart J. Russell
Indira V. Samarasekera

7 Statement on Executive Compensation

Where to find it

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 the shareholders.

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 accomplishments in line with our corporate strategy as well as non-financial achievements derived from our commitment to "Living our 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 100** 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. 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

Total Indirect Compensation

- Group benefits
- Retirement benefits
- Perquisites

More information on the Company's executive compensation framework can be found on **pages 110 to 125** of this Circular.

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 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
- Retention of **independent compensation consultant**
- **Prohibition for Executives to hedge their economic risk** or reduce their exposure to changes in share price with respect to any securities of the Company

Our 2021 Compensation Highlights

Following the Company's transformative acquisition of RSA, 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 to promote behaviour among our management team that supports the Company's long-term strategy and objectives.

As part of this general overhaul of our executive compensation structure, we implemented the following changes:

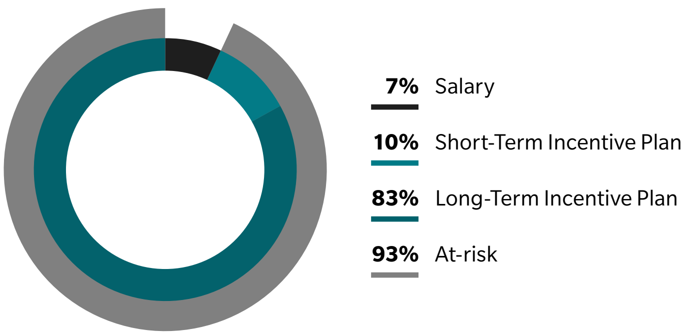
- LTIP awards for Senior Executives and certain Executives are now composed entirely of PSUs (100%), instead of a mix of RSUs (30%) and PSUs (70%).
- 2021 UK&I STIP is composed 40% UK&I Combined ratio and 60% Personal/Business scorecard goals.
- 2021 LTIP includes the UK&I ROE benchmark within the Weighted Global Benchmark since June 1, 2021 to reflect the RSA Acquisition. Due to the UK industry results not being available before May of each year, the final LTIP payout for the performance cycle which ended in 2021 is not available at 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 2023 Circular.
- Following its approval by shareholders at the 2021 Annual and Special Meeting of shareholders, we introduced an ESOP as a means to strengthen our retention of key talent following the RSA Acquisition. The Board of Directors approved the award of PSOs to the CEO and other select Senior Executives to drive 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 within this instrument. Among other reasons, the limitations on the ability to use market-settled PSUs and RSUs to develop a truly long-term equity-based instrument (due to Canadian tax deferral rules), led the Company to select PSOs as an appropriate instrument in this circumstance.
- Peer groups for compensation benchmarking have been modified to reflect the new scope of IFC operations.
- The definitions of Senior Executives and Executives have been reviewed given the modifications to the Company's management structure.

Our Named Executive Officers (NEOs):

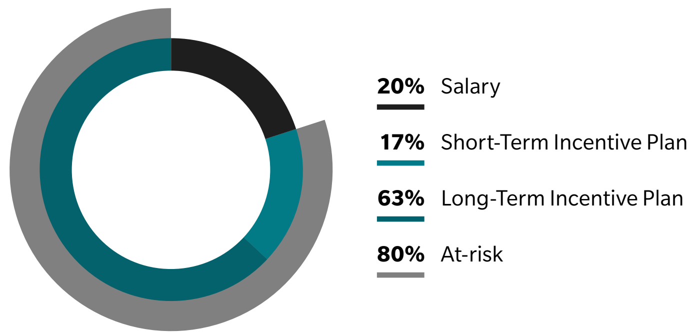
- Charles Brindamour, Chief Executive Officer, Intact Financial Corporation
- Louis Marcotte, Executive Vice President and Chief Financial Officer
- T. Michael Miller, Chief Executive Officer, Global Specialty Lines
- Louis Gagnon, Chief Executive Officer, Canada
- Scott Egan, Chief Executive Officer, UK&I[1]

In 2021, 93% of the target total direct compensation of the CEO was at risk, and an average of 80% of the target total direct compensation of the other NEOs was at risk[2].

2021 CEO Target Direct Compensation Mix



2021 Other NEOs Target Direct Compensation Mix (Average)



More information on the 2021 CEO and other NEOs compensation can be found on **pages 126 to 131** of this Circular.

2021 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

For more information on these non-IFRS financial measures, please see **page 125** of this Circular.

1 Mr. Egan left the organization on December 31, 2021.

2 Pay mixes included here include PSO awards, which were granted in the context of the RSA Acquisition as a means to strengthen retention of key talent, to drive performance, and to align recipients' interests with those of shareholders over the mid- to long-term.

Short-Term Incentive Plan Metrics

Growth in Absolute Direct Premium Written (DPW) – Canada	Combined Ratio – Canada	Combined Ratio – US	Combined Ratio – UK&I	Net Operating Income per Share (NOIPS)
$12,418 million	86.2%	90.7%	93.8%	$13.26

Long-Term Incentive Plan Metrics

3-year Average Adjusted Return on Equity	3-year Average Combined Ratio – US
15.8%	92.7%

The 2021 financial performance of the Company measured by the abovementioned metrics resulted in (i) a payout of 76% for the 2021 STIP portion attributable to Canadian financial results, a payout of 155% for the 2021 STIP portion attributable to U.S. financial results, and a payout of 120.8% for the 2021 STIP portion attributable to the UK&I financial results; and (ii) an estimated payout of 160% of the initial PSUs allocated in 2019 under the LTIP Canadian metrics and a payout of 91.3% of the initial PSUs allocated in 2019 under the LTIP U.S. metrics.

Outstanding legacy long-term incentive grants of UK&I participants vested at closing of the RSA Acquisition and the cash proceeds were either paid out at that time or will be paid out subject to local regulatory timelines.

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 111 to 120** of this Circular.

More information on the Company's 2021 financial performance can also be found in our 2021 Annual Report (which includes the Company's consolidated financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2021).

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
- 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 U.K. 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. 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 102 to 105);
- 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.

One of the objectives of the executive compensation package is to align the compensation of Executives and Senior Executives with the achievement of the Company's financial and strategic objectives, including ESG performance. "Living our Values" is 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.

To further reinforce this commitment, our Senior Executives' individual/personal goals in the STIP include objectives derived directly from "Living our Values". 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.

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 2021, please refer to the report of the HRC Committee starting on page 92 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)

Second Quarter

Deliver STIP payout of previous year (Canada)

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

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

Deliver LTIP payout (PSU component) for previous 3-year performance 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 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").

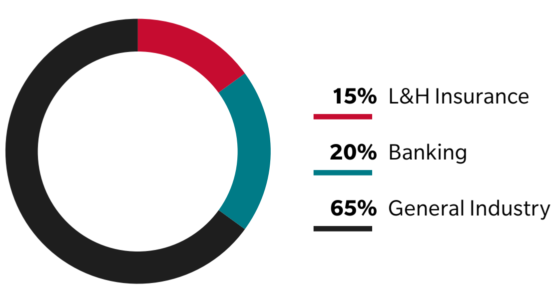
There are 20 companies included in the Global Comparator Group, which were selected according to the following criteria:

- large listed Canadian insurance companies;
- other Canadian financial services institutions with annual revenues between 0.5 and 2 times those of Intact;
- other general industry comparators headquartered in Canada with a global scope of operations with annual revenues or market capitalization between 0.5 and 2 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 less direct comparability to Intact.

The Global Comparator Group is comprised of the following companies:

		Market Cap ($MM)		TEV ($MM)		LTM Revenue ($MM)	
Company	**Primary Industry**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**	**31-Dec-20**	**31-Dec-21**
Large Canadian Insurance Companies							
Manulife Financial Corporation	Life and Health Insurance	$ 43,947	$ 46,837	$ 51,594	$ 50,677	$ 77,121	$ 59,841
Sun Life Financial Inc.	Life and Health Insurance	$ 33,113	$ 41,261	$ 30,542	$ 41,042	$ 43,337	$ 35,688
Great-West Lifeco Inc.	Life and Health Insurance	$ 28,157	$ 35,322	$ 37,598	$ 43,234	$ 60,673	$ 63,832
Canadian Financial Services Companies							
The Bank of Nova Scotia	Diversified Banks	$ 83,364	$ 108,879	n/a	n/a	$ 25,252	$ 29,435
Bank of Montreal	Diversified Banks	$ 62,508	$ 88,264	n/a	n/a	$ 22,233	$ 27,059
Canadian Imperial Bank of Commerce	Diversified Banks	$ 48,607	$ 66,494	n/a	n/a	$ 16,252	$ 19,857
National Bank of Canada	Diversified Banks	$ 24,072	$ 32,589	n/a	n/a	$ 7,081	$ 8,925
Canadian General Industry Companies of Similar Size							
Air Canada	Airlines	$ 7,564	$ 7,561	$ 12,951	$ 15,541	$ 5,833	$ 6,400
Alimentation Couche-Tard Inc.	Food Retail	$ 48,310	$ 56,287	$ 55,767	$ 64,041	$ 76,294	$ 57,178
Canadian National Railway Company	Railroads	$ 99,385	$ 109,745	$ 113,320	$ 121,537	$ 13,819	$ 14,477
Canadian Pacific Railway Limited	Railroads	$ 59,303	$ 84,573	$ 69,272	$ 94,800	$ 7,710	$ 7,995
CGI Inc.	IT Consulting and Other Services	$ 25,834	$ 27,078	$ 28,646	$ 29,601	$ 12,164	$ 12,127
Fortis Inc.	Electric Utilities	$ 24,272	$ 28,861	$ 52,267	$ 57,469	$ 8,935	$ 9,448
Loblaw Companies Limited	Food Retail	$ 21,911	$ 34,540	$ 37,163	$ 49,077	$ 52,714	$ 53,170
Nutrien Ltd.	Fertilizers and Agricultural Chemicals	$ 34,854	$ 54,270	$ 51,238	$ 69,660	$ 25,552	$ 33,992
Saputo Inc.	Packaged Foods and Meats	$ 14,617	$ 11,810	$ 18,388	$ 15,892	$ 14,944	$ 14,294
TELUS Corporation	Integrated Telecommunication Services	$ 32,540	$ 40,538	$ 51,331	$ 60,307	$ 15,341	$ 16,838
Thomson Reuters Corporation	Research and Consulting Services	$ 51,790	$ 73,690	$ 54,903	$ 76,795	$ 7,625	$ 8,033
Waste Connections, Inc.	Environmental and Facilities Services	$ 34,350	$ 44,927	$ 39,608	$ 50,991	$ 6,939	$ 7,784
WSP Global Inc.	Construction and Engineering	$ 13,690	$ 21,611	$ 15,075	$ 23,864	$ 8,804	$ 10,279
Summary Statistics							
75th percentile		$50,993.9	$ 71,891	$ 54,244	$ 68,256	$ 38,891	$ 35,264
Median		$33,731.3	$ 43,094	$ 45,423	$ 50,834	$ 15,142	$ 15,658
25th percentile		$24,122.2	$ 29,793	$ 29,120	$ 32,461	$ 7,983	$ 9,056
Average		$ 39,609	$ 50,757	$ 44,979	$ 54,033	$ 25,431	$ 24,833
Intact Financial Corporation	Property and Casualty Insurance	$ 21,556	$ 28,951	$ 24,826	$ 34,257	$ 12,485	$ 17,883
Percentile rank		16th	21th	18th	23th	38th	54th

Industry Prevalence



Statistical Distribution	Market Capitalization (in millions) December 31, 2021	Total Enterprise Value (in millions) December 31, 2021	Total Revenues (in millions) Fiscal year 2021
25th percentile	$ 29,793	$ 32,461	$ 9,056
Median	$ 43,094	$ 50,834	$ 15,658
75th percentile	$ 71,891	$ 68,256	$ 35,264
Intact	$ 28,951	$ 34,257	$ 17,883
Percentile rank	21th	23th	54th

Comparator Group for U.S. Senior Executives

Effective as of fiscal year 2018, upon the recommendation of the HRC Committee, the Board of Directors approved a distinct comparator group for U.S. Senior Executives, including Mr. Miller (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. Egan (the "UK&I Comparator Group"). There are 28 companies included in the UK&I Comparator Group, comprised of FTSE-listed companies as well as international insurers.

The UK&I Comparator Group is comprised of the following companies:

FTSE companies:	International Insurers:
London Stock Exchange Group	Prudential
International Airlines Group	Aviva
Intercontinental Hotels Group	Legal & General Group
Pearson	Standard Life
Burberry	Direct Line Group
Schroders	Hastings Direct
Micro Focus	AEGON Group
Sage	Ageas UK
Paddy Power Betfair	Allianz
Kingfisher	Allianz Global Corporate & Specialty
EasyJet	Atradius
Merlin Entertainments Group	AXA Group
Dixons Carphone	Bupa Centre
	QBE Insurance Group
	Zurich Insurance Group

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 2021, the level of the long-term incentive target reflects the practices of the companies included in the Global Comparator Group and brought Mr. Brindamour's target total compensation to 114% of the median of the Global Comparator Group (excluding his PSOs).

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, Executives 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

Compliance Review and Corporate Governance Committee

- Oversees the governance and compliance framework of the Company and its pension plans, including the implementation of policies in relation to executive compensation

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.

Willis Towers Watson ("WTW") provided consulting services to the Company on matters related to executive compensation and other human resources advisory services from 2005 to 2017. From 2018 to 2020, WTW provided consulting services exclusively on matters related to executive and non-executive compensation.

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 going forward, replacing WTW in this role. Hugessen has been mandated to review and provide advice directly to the HRC Committee on executive compensation recommendations and related questions.

In 2021, executive compensation-related fees 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 WTW and to Hugessen for the services provided in the 2020 and 2021 fiscal years were as follows:

	Fiscal Years	
	2021	2020
Fees paid to Willis Towers Watson		
Executive compensation-related fees	**$442,446**	$359,449
All other fees	**$ 98,100**	$ 36,016
Fees paid to Hugessen Consulting Inc.		
Executive compensation-related fees	**$316,768**	$ 43,288
All other fees	**$ 0**	$ 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 with shareholders' interests, is common for public companies and consistent with good corporate governance practices and with the principles of the Canadian Coalition for Good Governance, among others. 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 in IFC shares until they reach their target ownership.

UK&I Executives and Senior Executives are currently not subject to the IFC share ownership policy, except for Mr. Egan. At closing of the RSA Acquisition, the requirement for certain RSA Executives to build and maintain a shareholding of 0.5x annual base salary applied in IFC shares rather than RSA shares. These arrangements are currently being reviewed and new share ownership requirements will be introduced in 2022.

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.

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 are not included in the ownership calculation; however, for Mr. Miller's ownership, 75% of tranche 2 of the Special Award PSUs are included in the calculation as the Special Award PSUs have a 75% minimum vesting condition. PSO grants are also not included in the share ownership policy.

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 Chairman. Please refer to page 118 for additional details.

The CEO has been 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 Senior Executives and certain 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. Egan who was 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, 2021.

	Target Ownership	Shareholdings as at December 31, 2021					Status	
Named Executive Officer	Multiple of salary (#)	Multiple of salary ($)	Common Shares ($)	Unvested RSUs ($)	Total Holdings ($)	Total Holdings (#)	Total Holdings as a Multiple of salary	Share Ownership Requirement (SOR)
Charles Brindamour	12.00	15,600,000	54,610,788	5,323,082	59,933,869	364,517	46.10	Met
Louis Marcotte	4.00	2,376,000	4,187,777	657,425	4,845,203	29,468	8.16	Met
T. Michael Miller(1)	9.34	9,536,922	1,479,780	4,297,345	20,452,000(2)	124,936	20.12	Met
Louis Gagnon	5.50	4,510,000	13,708,518	1,524,836	15,233,353	92,649	18.58	Met
Scott Egan(3)	2.50	2,441,537	–	375,469	375,469	2,284	0.38	Not Met

Based on Intact Financial Corporation's December 31, 2021 closing share price of $164.42.
(1) Mr. Miller's base salary of US$807,500 has been converted to Canadian dollars using the exchange rate as at December 31, 2021, which was 1.26450.
(2) Includes an amount equal to 75% of the Special Award PSUs as the award has a 75% minimum vesting condition.
(3) Mr. Egan's base salary of GBP571,063 has been converted to Canadian dollars using the exchange rate as at December 31, 2021, which was 1.71017.

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.

Clawback Policy and Malus Provisions

IFC's LTIP agreement includes 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. This clawback is included in the LTIP agreement that must be signed by each Executive and Senior Executive to become a participant.

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/under-performance 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 and its shareholders. The following illustrates the executive compensation framework for 2021:

	Total Direct Compensation				Total Indirect Compensation		
Compensation Element	**Base Salary**	**Short-Term Incentive Plan**	**Long-Term Incentive Plan**	**Executive Stock Option Plan**	**Group Benefits**	**Retirement benefits**	**Perquisites**
Mission/ Rationale	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 financial objectives	Pay for future performance and align rewards with shareholder value creation	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
Performance Criteria	Individual contribution, competencies and performance	Financial and individual goals	**PSUs (Executives and Senior Executives):** Based on ROE and/or Combined ratio of IFC or one of its regions according to the geographic scope of responsibility of the individual **RSUs (Executives):** Unrelated to IFC's financial performance	PSOs will vest contingent on both the passage of time and on the achievement of performance hurdles	Unrelated to performance	Unrelated to performance	Unrelated to performance
Performance Outcome	Salary increase and position within the salary structure	Cash payment	Vesting of share units with settlement in cash or in Common Shares (restricted shares for, among others, CEO + Canadian direct reports of the CEO + Oversight Functions and Vice Chairmen	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	**Canadian & UK&I:** Value of perquisites increases with salary **U.S.:** no perks program
Performance/ Reference Period	Annual	1 year	3 years (plus 2-year restricted period post-vesting for, among others, CEO + Canadian direct reports of the CEO + Oversight Functions and Vice Chairmen	3 – 7 year performance period depending on participant Each PSO expires on the 10th anniversary of the date of grant	Annual	Career	Annual
Impact on Pay	Career-long	Annual **Variable pay-for-performance**	Multi-year **Variable pay-for-performance**	Multi-year **Variable pay-for-performance**	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 June 1, 2021, are as follows:

Name	2021 annual base salary
Charles Brindamour	$1,300,000
Louis Marcotte	$ 594,000
T. Michael Miller(1)	$1,021,084
Louis Gagnon	$ 820,000
Scott Egan(2)	$ 569,692

(1) Annual salary for Mr. Miller of US$807,500 has been converted to Canadian dollars using the exchange rate as of December 31, 2021 of 1.26450.
(2) Base salary for Mr. Egan of GBP333,120 for the period from June 1, 2021 to December 31, 2021 has been converted to Canadian dollars using the exchange rate as of December 31, 2021 of 1.71017.

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	Executives and Senior Executives	1 year	Achievement of Company's strategic financial and non-financial objectives, and individual goals.

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, linked to the Company's corporate Values.

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 25% of the weight of the overall target incentive for Senior Executives and Senior Vice Presidents and 50% for the other Executives and include "Living our Values"-related goals, as well as operational goals consistent with the individual's role. Scott Egan's 2021 STIP, for the period following the closing of the RSA Acquisition, was based on 40% financial goals and 60% personal/business scorecard goals, in line with the previous RSA scheme.

The 2021 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
Louis Gagnon – CEO, Canada	0	100	200
Scott Egan – CEO, UK&I	0	80	160

In 2021, Senior Executives were organized according to four distinct groups depending on the geographical scope of their responsibilities:

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

The following tables set forth the 2021 Performance Metrics applicable to each group to determine the STIP payout.

Canadian Senior Executives

The Canadian Senior Executives' STIP is linked to (i) the achievement of the Company's financial results on absolute growth, and profitability in Canada relative to the financial results of the 20 largest comparable companies in the Canadian P&C insurance industry, (ii) IFC's performance measured by its net operating income per share and (iii) individual performance.

	Weight (%)	STIP Minimum (level below which the participant will not receive a bonus amount) (% points below target)	STIP Maximum (level at which the participant will receive twice the targeted amount) (% points above target)
Canada Financial Metrics			
IFC's Growth in Canada (in absolute DPW)	16.7	2	2
IFC's Profitability in Canada (Combined Ratio outperformance relative to the industry benchmark)	33.3	2	2
Other Metrics			
IFC Net Operating Income per Share	25	22	22
Individual/Personal Goals	25	–	–
TOTAL	100	–	–

U.S. Senior Executives

The U.S. Senior Executives' STIP is linked to (i) the Company's U.S. financial results on profitability relative to set objectives, (ii) IFC's performance measured by its net operating income per share and (iii) individual performance.

	Weight (%)	STIP Minimum (level below which the participant will not receive a bonus amount) (% points below target)	STIP Maximum (level at which the participant will receive twice the targeted amount) (% points above target)
U.S. Financial Metrics – Absolute Measure			
IFC's Profitability in the U.S. (Combined Ratio)	50	4	4
Other Metrics			
IFC Net Operating Income per Share	25	22	22
Individual/Personal Goals	25	–	–
TOTAL	100	–	–

Senior Executives with North American Oversight

A mix of Canadian and U.S. financial metrics apply for Senior Executives with cross-border responsibilities as follows:

Canadian Senior Executives with North American Oversight (75% Canada financial metrics and 25% U.S. financial metrics)

	Weight (%)	STIP Minimum (level below which the participant will not receive a bonus amount) (% points below target)	STIP Maximum (level at which the participant will receive twice the targeted amount) (% points above target)
Canada Financial Metrics			
IFC's Growth in Canada (in absolute DPW)	12.5	2	2
IFC's Profitability in Canada (Combined Ratio outperformance relative to the industry benchmark)	25	2	2
U.S. Financial Metrics – Absolute Measure			
IFC's Profitability in the U.S. (Combined Ratio)	12.5	4	4
Other Metrics			
IFC Net Operating Income per Share	25	22	22
Individual/Personal Goals	25	–	–
TOTAL	100	–	–

As of 2022, Senior Executives with North American or Global Oversight will have the financial portion of their STIP weighted between the three geographies.

U.S. Senior Executives with North American Oversight (75% U.S. financial metrics and 25% Canada financial metrics)

	Weight (%)	STIP Minimum (level below which the participant will not receive a bonus amount) (% points below target)	STIP Maximum (level at which the participant will receive twice the targeted amount) (% points above target)
U.S. Financial Metrics – Absolute Measure			
IFC's Profitability in the U.S. (Combined Ratio)	37.5	4	4
Canada Financial Metrics			
IFC's Growth in Canada (in absolute DPW)	4.18	2	2
IFC's Profitability in Canada (Combined Ratio outperformance relative to the industry benchmark)	8.32	2	2
Other Metrics			
IFC Net Operating Income per Share	25	22	22
Individual/Personal Goals	25	–	–
TOTAL	100	–	–

UK&I Senior Executives

The UK&I Senior Executives' STIP is linked to (i) the Company's UK&I financial results on profitability relative to set objectives, and (ii) personal/business scorecard performance.

	Weight (%)	STIP Minimum (level below which the participant will not receive a bonus amount) (% points below target)	STIP Maximum (level at which the participant will receive twice the targeted amount) (% points above target)
UK&I Financial Metrics – Absolute Measure			
IFC's Profitability in the UK&I (Combined Ratio)	40	1.5	1.5
Other Metrics			
Personal/Business scorecard goals	60	–	–
TOTAL	100	–	–

The following table represents the STIP payout for each NEO based on 2021 results that will be paid in the second quarter of 2022:

Name & Title	2021 STIP Target ($)	2021 STIP Canadian Financial Results(1) (%)	2021 STIP U.S. Financial Results(1) (%)	2021 STIP UK&I Financial Results(1) (%)	2021 Total STIP Result(2) (%)	2021 Total STIP ($)
Charles Brindamour – Chief Executive Officer, IFC	1,950,000	76	155	–	111.8	2,180,344
Louis Marcotte – Executive Vice President & Chief Financial Officer	534,600	76	155	–	111.1	593,740
T. Michael Miller – CEO, Global Specialty Lines(3)	1,021,084	76	155	–	135.0	1,384,362
Louis Gagnon – CEO, Canada	820,000	76	155	–	111.8	916,863
Scott Egan – CEO, UK&I(4)	455,753	–	–	–	–	438,207

(1) 2021 STIP Financial Results are comprised of 66.67% national financial results and 33.33% Net Operating Income per Share results.

(2) 2021 Total STIP Result is comprised of 50% national financial results, 25% Net Operating Income per Share results, and 25% based on results achieved against personal goals and objectives. For Mr. Egan, total STIP result is comprised of 40% UK&I financial results and 60% based on results achieved against personal/business scorecard goals and objectives.

(3) 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, 2021, which was 1.26450. For the purpose of the table above, the 2021 Total STIP amounts for Mr. Miller have been converted to Canadian dollars using the exchange rate as at the payment date of March 3, 2022, which was 1.26815.

(4) For the purpose of the table above, Mr. Egan's annual base salary of GBP571,063 has been converted to Canadian dollars using the exchange rate as at December 31, 2021, which was 1.71017. For the purpose of the table above, the 2021 Total STIP amounts for Mr. Egan have been converted to Canadian dollars using the exchange rate as at the payment date of the upfront cash portion of the STIP of March 25, 2022, which was 1.64433. Mr. Egan's 2021 total STIP is based on the period from June 1, 2021 (the closing of the RSA transaction) to December 31, 2021.

As of 2022, for UK&I Senior Executives, the UK&I financial metrics will represent 50% of the total STIP payout and IFC's performance, measured by its net operating income per share, will be added to the UK&I Senior Executives' STIP and represent 25% of the STIP payout. Finally, individual/personal goals will represent 25% of their total STIP payout.

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, and customer-driven initiatives goals. These goals form an integral part of our objective of remaining a best employer and being recognized as one of the most respected companies. We achieved our goal again this year by being certified as a Kincentric 2021 Best Employer in Canada for the seventh consecutive year and for the third time in the U.S. and North America.

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.

- New ESG-related goals have been introduced in 2022 for certain Senior Executives and Executives in relation to the Company's climate change initiatives.

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 Canadian Senior Executives:

IFC's 3-year average ROE relative to the 3-year average ROE of the relevant benchmark applicable to each year. Payouts in the form of Common Shares. Starting in 2021, IFC's 3-year average ROE will be relative to the 3-year average ROE of the Weighted Global Benchmark (see page 120 for details).

For U.S. Senior Executives:

IFC's 3-year average U.S. Combined Ratio relative to set objectives. Payouts in the form of Common Shares (50%) and cash (50%), with certain exceptions including Mr. Miller, who receives 100% of his payouts in Common Shares.

U.S. Senior Executives with North American responsibilities have a mix of U.S. metrics and Canadian metrics applicable to Canadian Senior Executives (as described above), in the proportion of 75% U.S./25% Canadian.

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 (100%).

Restricted Share Units (RSUs)

Vesting not linked to performance. Vesting based on passage of time. Payouts in the form of Common Shares.

Payouts in the form of Common Shares for Canadian Senior Executives, U.S. Senior Executives, and UK&I Senior Executives. Payouts in the form of Common Shares (50%) and cash (50%) for other U.S. Executives.

- In 2021 the HRC Committee approved a change for Canadian and U.S. Senior Executives and certain Executives whereby they would be receiving LTIP awards solely in PSUs as of the 2021-2023 performance cycle. As such, they will no longer be receiving RSUs. The same modifications will be applicable for the UK&I Senior Executives and certain Executives starting with the 2022-2024 performance cycle.

2018 to 2020 Performance Cycle

On January 1, 2021, the awards made under the LTIP for the 2018 to 2020 performance cycle vested. This performance cycle was the first LTIP cycle completed for our U.S. Executives and U.S. Senior Executives.

- IFC's three (3) year average ROE was 12.73%, and the P&C industry's three (3) year average ROE for that same period was 5.93%. IFC therefore outperformed the industry by 6.80% which, according to the LTIP performance objectives, resulted in a payout of 170% of the initial PSUs allocated in 2018 under the metrics of the LTIP.
- IFC's three (3) year average U.S. Combined Ratio was 94.3% which, according to the LTIP performance objectives, resulted in a payout of 83.8% of the initial PSUs allocated in 2018 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 7, 2021. The delivery and confirmation of the final number of Common Shares related to the PSU component to participants occurred on April 29, 2021. Participants were entitled to cash dividend payments once the delivery of Common Shares occurred.

2019 to 2021 Performance Cycle

Following the RSA Acquisition, the HRC Committee approved the inclusion of the UK&I ROE benchmark within the Weighted Global Benchmark, starting in 2021. However, the UK&I industry data is not made available to market participants until May of each year. As a result, the PSU payout of the performance cycle, which is measured on ROE outperformance, will not be confirmed at time of publication of the Circular.

Final LTIP payout results will therefore not be known before June of each year, as opposed to end of March previously and, as a result, will be published in our 2023 Management Proxy Circular. The estimated payout results are therefore presented in this Circular. Please see **page 124** for details.

The delivery and confirmation of the final number of Common Shares related to the RSU component of the LTIP occurred on January 6, 2022. The delivery and confirmation of the final number of Common Shares related to the PSU component of the LTIP to participants will occur in June 2022. Participants are entitled to cash dividend payments as of the vesting date, which was January 1, 2022.

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 initial PSUs allocated in 2019 under the U.S. metrics of the LTIP. The delivery of the final number of Common Shares related to the PSU component to participants whose PSUs are measured based on the U.S. metrics of the LTIP occurred on February 28, 2022. Participants are entitled to cash dividend payments as of the vesting date, which was January 1, 2022.

The 2021 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 certain Executives received awards composed entirely of PSUs. UK&I Senior Executives and certain Executives will receive an award composed entirely of PSUs starting with the 2022-2024 performance cycle.	
Payout range (as a % of the grant award)	100%	0-200%
Term	Three years	Three years
Vesting date for 2021 grants	January 1, 2024	January 1, 2024
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.	Based on a specific performance goal determined by the HRC Committee. Effective in 2019, 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. **For Canadian Senior Executives:** Based on the difference between the three-year average ROE of the Company and that of the Weighted Industry Benchmark. There is no payout if the average ROE of the Company is less than the average of the industry, as reported to the regulatory authorities, and twice the target level if the average ROE of the Company is eight (8) or more percentage points above the average of the industry. **For U.S. Senior Executives:** Based on IFC's 3-year average U.S. Combined Ratio relative to set objectives. There is no payout if the actual combined ratio performance is more than four (4) points inferior to the target and a maximum payout is achieved if the actual combined ratio performance is four (4) points superior to the target. U.S. Senior Executives with North American responsibilities have a mix of the Canadian metrics (described above) and U.S. metrics, in the proportion of 75% U.S./25% Canadian. **For UK&I Senior Executives:** Based on IFC's 3-year average UK&I Combined Ratio relative to set objectives. There is no payout if the actual combined ratio performance is more than four (4) points inferior to the target and a maximum payout is achieved if the actual combined ratio performance is four (4) points superior to the target.
Restriction period[1]	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.	

Element	RSUs	PSUs
Methods of Payments[(2)]	For Canadian and UK&I Senior Executives, the payment is in the form of Common Shares, and for U.S. Senior Executives, the payment is in the form of Common Shares (50%) and cash (50%) with certain exceptions, including Mr. Miller who receives 100% of his payouts in 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 by the LTIP (instead of Common Shares). The HRC Committee has also adopted an LTIP delivery mechanism for Canadian Senior Executives and certain Executives (which currently excludes participants in the 2-year post-vesting restricted plan). Under this mechanism, Canadian Senior Executives and certain Executives (except those subject to the 2-year restriction period) 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. At the time of delivery, one (1) unit (PSU or RSU) is converted to one (1) Common Share of Intact Financial Corporation (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.	
Pricing at time of grant	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&I Senior Executives and a fixed dollar amount for U.S. Senior Executives (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 2020 was $145.79. Exceptionally, due to the fact that UK&I Senior Executives joined IFC on June 1, 2021, the share price used to determine the number of units was the average share price from May 6, 2021 to May 31, 2021, which was $161.67. The market median long-term incentive practices for comparable positions are considered when determining the size of target individual awards.	

(1) 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, and (ii) the Oversight Functions and (iii) the Vice-Chairman. 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.
(2) Eligible participants made their election in November 2021 for the 2022 deliveries. Elections were reviewed in November 2021 and are irrevocable.

Following the RSA Acquisition, Mr. Egan was granted special award PSUs with a target grant date fair value of GBP2,500,000 (the "Special Award PSUs"). The Special Award PSUs would have vested, subject to Mr. Egan's continued employment, on January 1, 2024 and would have been delivered on or about April 30, 2024 (for two-thirds of the Award), and on or shortly after November 17, 2024 (for one-third of the Award), based on pre-determined business units' average Combined Ratio for financial year 2021 in the period from June 1 to December 31, the full financial year 2022 and the full financial year 2023. The Special Award PSUs are not subject to a minimum vesting target but are subject to a maximum vesting target of 150%. Mr. Egan, however, left the organization on December 31, 2021 and received good leaver treatment for his Special Award PSUs, which were prorated for time and converted to a deferred cash award. Payments are to be made in three tranches on each of November 30, 2022, November 30, 2023 and November 30, 2024.

A total of 488,799 units (369,183 PSUs and 119,616 RSUs) were awarded in 2021 to LTIP participants. The 2021 LTIP targets, expressed as a percentage of salary, and unit awards for NEOs are detailed as follows:

Name & Title	2021 LTIP Target (%)	2021 PSU Awarded (#)	2021 RSU Awarded (#)	2021 Total Award (#)
Charles Brindamour – Chief Executive Officer, IFC	**600**	53,502	0	53,502
Louis Marcotte – Executive Vice President & Chief Financial Officer	**200**	8,149	0	8,149
T. Michael Miller – CEO, Global Specialty Lines[(1)]	**467**	31,407	0	31,407
Louis Gagnon – CEO, Canada	**275**	15,467	0	15,467
Scott Egan – CEO, UK&I[(2)]	**125**	31,807	2,271	34,078

(1) 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 June 15, 2021, which was 1.2142.
(2) Mr. Egan became an Officer of the Company on June 1, 2021. He received a regular LTIP award for the 2021-2023 cycle as he had not previously received an LTIP grant for 2021 with RSA. He also received Special Award PSUs valued at GBP2,500,000 (26,509 PSUs based on the volume-weighted average price from May 6 to May 31, 2021 of $161.67 of the Company's Common Share and the May 31, 2021 GBP to CAD exchange rate, which was 1.71431). Following Mr. Egan's departure from the Company on December 31, 2021, he received pro-rata treatment for his unvested 2021-2023 LTIP award as well as his unvested Special Award PSUs. For the LTIP, he is eligible to receive a time pro-rated number of shares or equivalents following the end of the performance cycle (subject to the company performance conditions in the case of the PSUs). For the Special Award, he is eligible to receive pro-rated deferred cash payments in lieu (subject to malus adjustment). The figure in the table above is before the pro-rating was applied.

The following sections set forth the 2021 and 2022 Performance Measures that are applied under the LTIP 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 described as follows:

- for the 2019 to 2021 LTIP performance cycle, the Weighted Global Benchmark for the years 2019 and 2020 of this cycle is composed of 80% Canadian industry results and 20% U.S. industry results. For the year 2021 of this cycle, the benchmark is composed of 74% Canadian industry results, 15% U.S. industry results and 11% UK&I industry results, to account for the fact that RSA was included in the Company's results for seven months;
- for the 2022 performance year, the composition of the Weighted Global Benchmark will be 70% Canadian industry results, 12% U.S. industry results and 18% UK&I industry results.

IFC's three (3) year 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 measure used is IFC's three-year average U.S. Combined Ratio relative to set objectives with a spread of greater than –4% of target resulting in a 0% payout, –4% of target resulting in a 50% payout, achievement of target resulting in a 100% payout and +4% of target or better resulting in a 200% payout. If actual performance results lie between these levels, the payout is calculated based upon the linear interpolation between the minimum and maximum levels.

UK&I Senior Executives

The performance measure used is IFC's three-year average UK&I Combined Ratio relative to set objectives with a spread of greater than –4% of target resulting in a 0% payout, –4% of target resulting in a 50% payout, achievement of target resulting in a 100% payout and +4% of target or better resulting in a 200% payout. If actual performance results lie between these levels, the payout is calculated based upon the linear interpolation between the minimum and maximum levels.

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 ("SARs").

In 2021, PSOs were awarded following the RSA Acquisition as a means to strengthen retention of key talent, to drive performance, and to align recipients' interests with those of shareholders over the mid- to long-term, through the inclusion of both extended time-based vesting and performance conditioning. A reserve amount is left for issuance to future hires/participants.

Mr. Brindamour, Mr. Miller and Mr. Gagnon each received a PSO grant in 2021:

- Mr. Brindamour's target award value was $7,800,000, which when notionally amortized over the 7-year vesting period, equates to $1,114,286 in additional compensation per year.
  - 49.5% will vest on the 5th anniversary of the date of grant.
  - 50.5% will vest on the 7th anniversary of the date of grant.
  - Vesting is subject to (i) continued employment, and (ii) to the achievement of performance conditions tied to the 3-cycle average LTIP PSU vesting with respect to 49.5% of the award, and the 5-cycle average LTIP PSU vesting with respect to 50.5% of the award.
  - Even if the 3-cycle or 5-cycle average LTIP PSU vesting is equal to or greater than 100%, the vesting of the award can never exceed 100%.
- Mr. Miller's target award value was $4,270,000, which when notionally amortized over the 3-year vesting period, equates to $1,423,333 in additional compensation per year.
  - 100% will vest on December 31, 2024.
  - Vesting is subject to (i) continued employment, and (ii) the achievement of performance conditions as follows: with respect to 50% of the award, to the average U.S. combined ratio and, with respect to the remaining 50% of the award, to the average Global Specialty combined ratio, in both instances, over the 2022, 2023 and 2024 fiscal years.
  - Even if the target average combined ratio is achieved or surpassed, the vesting of the award can never exceed 100%.

- Mr. Gagnon's target award value was $4,000,000, which when notionally amortized over the 5-year vesting period, equates to $800,000 in additional compensation per year.
  - 47.9% will vest on the 3rd anniversary of the date of grant.
  - 52.1% will vest on the 5th anniversary of the date of grant.
  - Vesting is subject to (i) continued employment, and (ii) to the achievement of performance conditions tied to the 1-cycle LTIP PSU vesting with respect to 47.9% of the award, and the 3-cycle average LTIP PSU vesting with respect to the remaining 52.1% of the award.
  - Even if the 1-cycle LTIP PSU vesting or the 3-cycle average LTIP PSU vesting is equal to or greater than 100%, the vesting of the award can never exceed 100%.

More information on the ESOP can be found on **pages 110, 136 and 137** of this 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 on **page 138** 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 as well as 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 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 2021 totalling 13% 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, pretax 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).

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. Furthermore, 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, 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 the actual out-of-pocket costs to the Company of the personal flights in 2021 was $158,063[1] and is included in the Summary Compensation Table on page 132. 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.

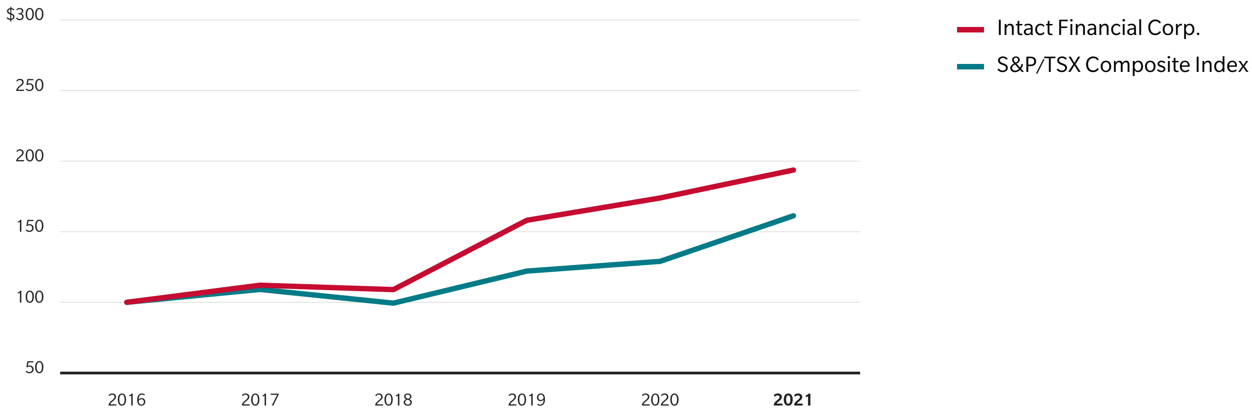
Pay-for-Performance Linkages

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 111 to 120 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.

[1] The actual amount for 2021 was converted to Canadian dollars using the exchange rate as at December 31, 2021 of 1.26450.

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, 2016 through December 31, 2021, assuming the reinvestment of dividends. The Company's total shareholder return (including dividends) for 2021 of 11.38% was lower than the S&P/TSX Composite Index's total return of 25.03%. Over a five-year period Intact's performance is 20.08% higher than the Index.



Year Ending December 31	2016	2017	2018	2019	2020	2021
Intact Financial Corp.	100.0	112.1	109.0	158.1	173.9	193.7
S&P/TSX Composite Index	100.0	109.1	99.4	122.1	129.0	161.3

Growth and Combined ratio for 2021 STIP calculation

All Executives and Senior Executives participate in the STIP.

For Canadian Senior Executives, awards are earned on the achievement of the Company's financial objectives (which include premium growth in Canada, underwriting profitability in Canadian operations and net operating income per share) and non-financial objectives and the personal performance of individual participants. Underwriting profitability is based on the performance of the Canadian operations of the Company relative to the 20 largest comparable companies in the Canadian P&C insurance industry[1]. In 2021, growth was based on the achievement of the Company's financial objectives relative to set objectives.

For U.S. Senior Executives, awards are based on the achievement of the Company's financial objectives (which include underwriting profitability in the U.S. operation and net operating income per share) and non-financial objectives and the personal performance of individual participants. Profitability is based on the performance of the U.S. operations of the Company (measured with IFC's U.S. combined ratio) relative to set objectives.

For UK&I Senior Executives, awards are based on the achievement of the Company's financial objectives (which include underwriting profitability in the UK&I operation) and personal/business scorecard performance of individual participants. Profitability is based on the performance of the UK&I operations of the Company (measured with IFC's UK&I combined ratio) relative to set objectives.

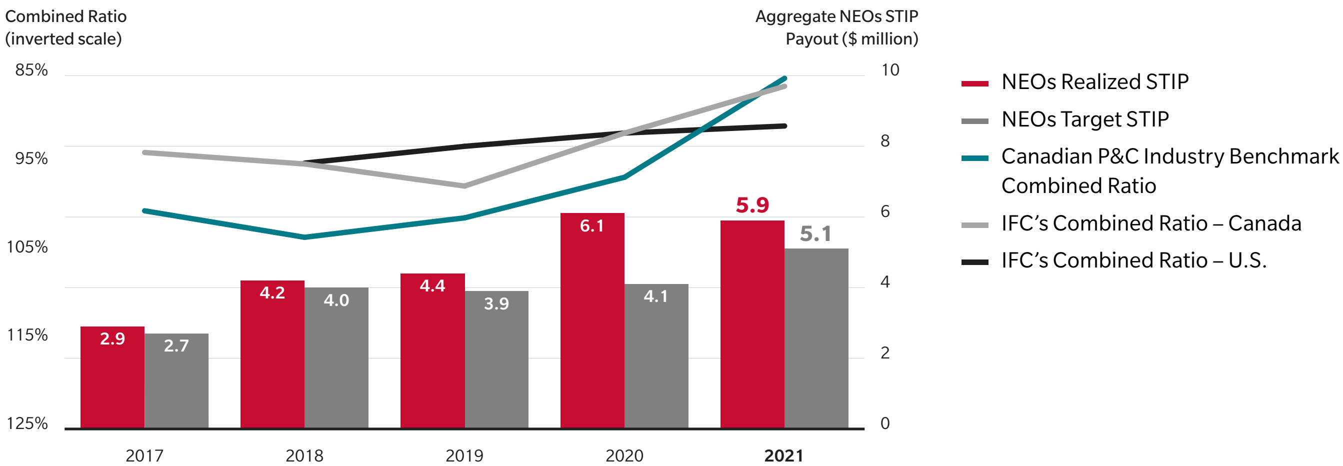
For Senior Executives with North American oversight, awards are based on a weighted average of the Canadian metrics and U.S. metrics described above. As of 2022, the weighted average will also include UK&I metrics described above for Senior Executives with Global oversight.

With respect to 2021 Canadian financial objectives, while the absolute combined ratio and DPW growth result were the best in the history of the Company at 86.7% and 20% respectively, we did not achieve our goal of relative outperformance since external factors also created excellent results industry-wide. Among a number of factors, we took an industry-leading approach and, since the onset of the pandemic, provided over $600 million of relief to over 1.2 million customers, including premium reductions to recognize hardship and lower business activity resulting from the COVID-19 pandemic. These relief measures lowered our relative DPW growth and increased our relative combined ratio compared to the industry. However, net operating income per share exceeded our target significantly, resulting in an overall STIP payout of 76% with respect to the portion attributable to Canadian financial results.

[1] Based on MSA Research Inc., excluding Lloyd's Underwriters Canada, Insurance Corporation of British Columbia, Saskatchewan Government Insurance, Saskatchewan Auto Fund, Genworth Financial Mortgage Insurance Company Canada, Canada Guaranty Mortgage Insurance Company and IFC.

The HRC Committee evaluated whether the absolute performance of the Company warranted a discretionary upward adjustment with respect to the payout relating to the Canadian financial results. Having considered all factors, the HRC committee decided that it was neither desirable nor necessary to make any adjustment for Senior Executives, including the NEOs. However, considering that absolute growth was well ahead of the industry and given strong absolute results, the HRC committee approved a proposal by management for a discretionary increase to the payout for Canadian employees (excluding Senior Executives and the NEOs) in recognition of the contribution and dedication of employees during the pandemic and the integration of RSA.

The graph below illustrates the Company's track record of outperforming the 20 largest comparable companies in the Canadian P&C insurance industry from a combined ratio perspective and that over time, NEO STIP payouts are generally above target when the Company's Canadian combined ratio is better than that of the industry.



Year Ending December 31	2017	2018	2019	2020	2021
IFC's Combined Ratio – Canada	93.7%	95.0%	97.5%	91.5%	86.2%
Combined Ratio Canadian P&C Industry Benchmark	100.3%	103.3%	101.1%	96.5%	85.3%
Percentage Points better than Benchmark	6.6%	8.3%	3.6%	5.0%	-0.9%
IFC's Combined Ratio – U.S.	–	94.9%	93.0%	91.5%	90.7%
Aggregate NEOs STIP vs Target[1]	1.06 x	1.05 x	1.14 x	1.48 x	1.15 x

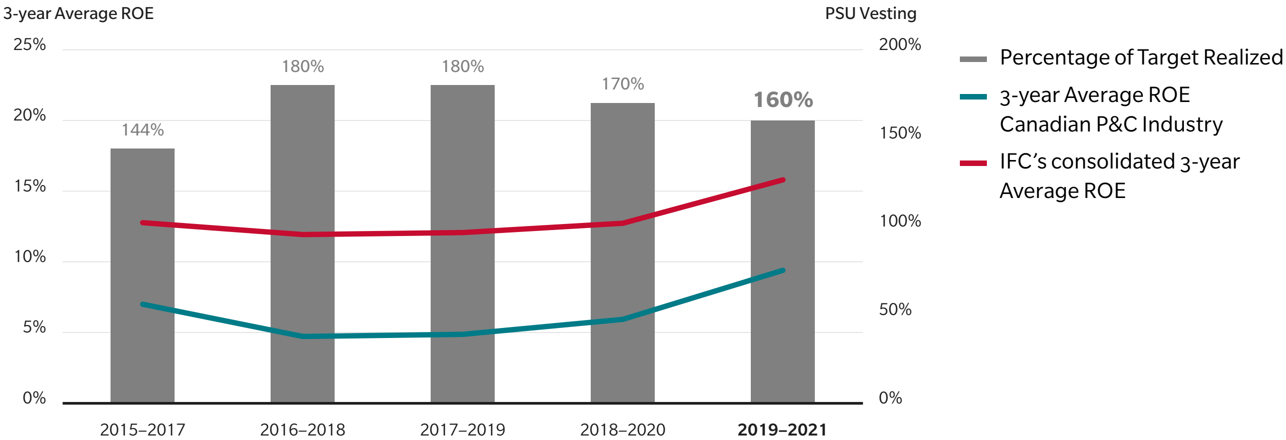
[1] The Aggregate NEOs Realized STIP is not solely based on the Company's performance measured by its combined ratio but is also based on the Company's performance on other metrics as well as personal performance of each NEO, as described on pages 126 to 131. The Aggregate NEOs Realized STIP vs Target Ratios indicated in the table above reflect the overall performance on all STIP metrics.

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 ROE benchmark within the Weighted Global Benchmark, starting in 2021. However, the UK&I industry data is not made available to market participants until May of each year. As a result, the PSU payout of the performance cycle, which is measured on ROE outperformance, will not be confirmed at time of publication of the Circular. Final LTIP payout results will therefore not be known before June of each year, as opposed to end of March previously and, as a result, will be published in our 2023 Management Proxy Circular. The estimated payout of the 2019-2021 performance cycle is 160%, based on an IFC three-year average ROE of 15.8% compared to the industry average for that same period of 9.4%, which equals an outperformance of 6.4%.

The graph below shows how Canadian LTIP vesting is above target when the Company's three (3) year average ROE exceeds that of the Canadian industry by more than 4%.



3-year Average ROE Cycles Vested on:	2015-2017 Jan 1, 2018	2016-2018 Jan 1, 2019	2017-2019 Jan 1, 2020	2018-2020 Jan 1, 2021	2019-2021 Jan 1, 2022
IFC's consolidated 3-year Average ROE	12.77%	11.93%	12.07%	12.73%	15.80%
3-year average ROE Canadian P&C Industry(1)	7.00%	4.72%	4.87%	5.93%	9.40%
Percentage Points Above/Below Benchmark	+5.8%	+7.2%	+7.2%	+6.8%	+6.4%
PSU Vesting	144%	180%	180%	170%	160%

(1) Based on MSA Research Inc., excluding Lloyd's Underwriters Canada, Insurance Corporation of British Columbia, Saskatchewan Government Insurance, Saskatchewan Auto Fund, Genworth Financial Mortgage Insurance Company Canada, Canada Guaranty Mortgage Insurance Company and IFC.

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, annual incentive plans, pension value and all other compensation granted to the Named Executive Officers reported in the Company's Management Proxy Circular of the last three (3) years.

Non-GAAP	2021(1)	2020	2019	
NEOs total compensation (in $ millions)	**$48.7**	$26.7	$22.9	
Adjusted Net Income to common shareholders (in $ millions)	**$2,486**	$1,213	$802	
Cost of management ratio (%)	**1.96%**	2.20%	2.86%	3-year average: 2.35%

(1) The significant increase 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 period.

Non-GAAP Financial measures in STIP and LTIP Calculations

We use non-GAAP financial measures and ratios to assess the Company's performance for the purpose of STIP and LTIP calculations. Non-GAAP financial measures and ratios do not have standardized meanings prescribed by IFRS 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 corresponds to IFC's adjusted return on equity (AROE), which is more comparable to the industry.

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 38 – Non-GAAP and other financial measures of our MD&A for the year ended December 31, 2021, available on SEDAR. These measures are also defined in the glossary available in the "Investors" section of our website at www.intactfc.com.

7.3 CEO Compensation

Charles Brindamour

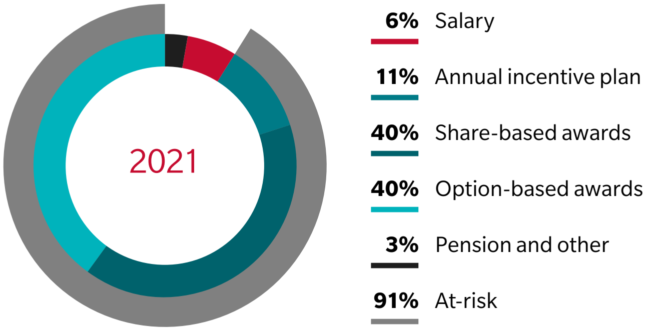
Chief Executive Officer, Intact Financial Corporation

Mr. Brindamour's key areas of responsibility include the establishment of, in consultation with Management and the Board of Directors, the purpose, the values and the 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	2021 ($)	2020 ($)	2019 ($)
Salary[(1)]	**1,284,100**	1,261,000	1,261,000
At-Risk Compensation			
Annual Incentive Plans	**2,180,344**	2,388,610	1,821,849
Share-based Awards	**7,800,000**	6,305,000	5,674,500
Option-based Awards	**7,800,000**[(2)]	–	–
Total At-Risk Compensation	**17,780,344**	8,693,610	7,496,349
Pension & Other Compensation	**642,660**	158,639	363,300
Total Compensation	**19,707,104**	10,113,249	9,120,649

At-Risk Compensation



(1) The salaries indicated for 2021, 2020 and 2019 represent the base salary earned by Mr. Brindamour for each financial year. The salaries actually paid during the 2021, 2020 and 2019 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 the note (3) under the Summary Compensation Table on page 132.

(2) Reflects the PSO awards granted in the context of the RSA Acquisition, which when notionally amortized over the 7-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.

2021 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.

	CEO			Value of $100			
Year	Total Direct Compensation Awarded(1)	Realized/ Realizable Total direct Compensation(2)	Three-Year Period	CEO(3)	Shareholder Value over Three-Year Period(4)	Tenure period	Shareholder Value over CEO Tenure(5)
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	$16,026,090	01/01/19 to 12/31/21	$ 183	$ 178	01/01/08 to 12/31/19	$ 497
2020	$ 9,954,610	$11,268,833	01/01/20 to 12/31/21	$ 113	$ 123	01/01/08 to 12/31/20	$ 547
2021	$19,064,444	$13,379,882	01/01/21 to 12/31/21	$ 70	$ 111	01/01/08 to 12/31/21	$ 609
	Average over Period			**$153**	**$151**		

(1) 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.
(2) Includes salary, paid STIP, actual PSU and RSU payouts, exercised options as well as the value, as of December 31, 2021 of unvested PSUs, regular RSUs and unexercised options related to the year of service.
(3) Represents the realizable value for each $100 awarded in total direct compensation for the year of service.
(4) 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.
(5) 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.

7.4 Other NEO Compensation

Louis Marcotte

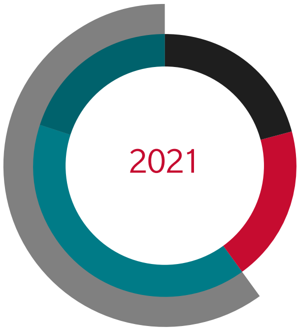
Executive Vice President & Chief Financial Officer

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 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.

Senior Executive Share Ownership Requirement	
2x Annual LTIP target in Common Shares	**Met**

Actual Pay Mix	2021 ($)	2020[1] ($)	2019 ($)
Salary[2]	**555,677**	500,000	450,000
At-Risk Compensation			
Annual Incentive Plans	**593,740**	849,150	306,534
Share-based Awards	**1,188,000**	875,000	630,000
Option-based Awards	**–**	–	–
Total At-Risk Compensation	**1,781,740**	1,724,150	936,534
Pension & Other Compensation	**613,996**	466,816	207,439
Total Compensation	**2,951,413**	2,690,966	1,593,973

At-Risk Compensation



(1) 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.

(2) The salaries indicated for 2021, 2020 and 2019 represent the base salary earned by Mr. Marcotte for each financial year. The salaries actually paid during the 2021, 2020 and 2019 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 the note (3) under the Summary Compensation Table on page 132.

T. Michael Miller

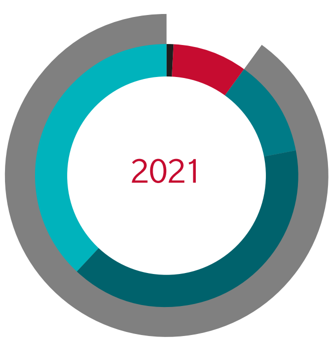
Chief Executive Officer, Global Specialty Lines

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	2021[1] ($)	2020[1] ($)	2019[1] ($)
Salary[2]	**990,322**	954,075	973,763
At-Risk Compensation			
Annual Incentive Plans	**1,384,362**	1,366,298	1,089,733
Share-based Awards	**4,578,779**	4,895,100	4,723,600
Option-based Awards	**4,270,000**[3]	–	–
Total At-Risk Compensation	**10,233,141**	6,261,398	5,813,333
Pension & Other Compensation	**174,148**	169,952	178,729
Total Compensation	**11,397,611**	7,385,425	6,965,825

At-Risk Compensation



9% Salary

12% Annual incentive plan

40% Share-based awards

38% Option-based awards

1% Pension and other

90% At-risk

(1) Compensation for Mr. Miller for 2021, 2020 and 2019 has been converted to Canadian dollars. Please see the Summary Compensation table on page 132 for more details.

(2) The salaries indicated for 2021, 2020 and 2019 represent the base salary earned by Mr. Miller for each financial year. The salaries actually paid during the 2021, 2020 and 2019 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 the note (3) under the Summary Compensation Table on page 132.

(3) 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. 2021 Total Compensation calculated using the amortized PSO amount would be $8,550,944.

Louis Gagnon

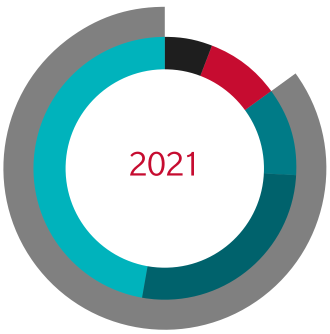
Chief Executive Officer, Canada

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	2021 ($)	2020 ($)	2019 ($)
Salary(1)	**791,461**	750,000	700,000
At-Risk Compensation			
Annual Incentive Plans	**916,863**	1,108,406	794,719
Share-based Awards	**2,255,000**	1,875,000	1,575,000
Option-based Awards	**4,000,000**(2)	–	–
Total At-Risk Compensation	**7,171,863**	2,983,406	2,369,719
Pension & Other Compensation	**544,551**	411,091	336,051
Total Compensation	**8,507,875**	4,144,497	3,405,770

At-Risk Compensation



9% Salary

11% Annual incentive plan

27% Share-based awards

47% Option-based awards

6% Pension and other

85% At-risk

(1) The salaries indicated for 2021, 2020 and 2019 represent the base salary earned by Mr. Gagnon for each financial year. The salaries actually paid during the 2021, 2020 and 2019 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 the note (3) under the Summary Compensation Table on page 132.

(2) 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. 2021 Total Compensation calculated using the amortized PSO amount would be $5,307,875.

Scott Egan

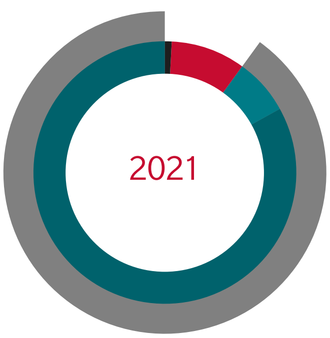
Chief Executive Officer, UK&I

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, Luxembourg, Middle East). 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	2021 ($)	2020 ($)	2019 ($)
Salary(1)	569,692	–	–
At-Risk Compensation			
Annual Incentive Plans	438,207	–	–
Share-based Awards	5,068,958	–	–
Option-based Awards	–	–	–
Total At-Risk Compensation	5,507,166(2)	–	–
Pension & Other Compensation	74,061	–	–
Total Compensation(2)	6,150,918	–	–

At-Risk Compensation



9% Salary

7% Annual incentive plan

83% Share-based awards

1% Pension and other

90% At-risk

(1) Compensation for Mr. Egan for 2021 has been converted to Canadian dollars. Please see the Summary Compensation table on page 132 for more details. Salary and annual incentive plans for Mr. Egan have been prorated for the period from June 1, 2021 to December 31, 2021.

(2) Mr. Egan left the Company on December 31, 2021. Details on his departure agreement can be found on pages 140 and 141 of this Circular. Following Mr. Egan's departure from the Company on December 31, 2021, he received pro-rata treatment for his unvested 2021-2023 LTIP award as well as his unvested Special Award PSUs. For the LTIP, he is eligible to receive a time pro-rated number of shares or equivalents following the end of the performance cycle (subject to the company performance conditions in the case of the PSUs). For the Special Award, he is eligible to receive deferred cash payments in lieu (subject to its malus provisions). The valuation in the table above is the value before the pro-rating was applied.

7.5 Summary Compensation Table

Name and Principal Position	Year	Salary ($)[3]	Share-based Awards ($)[4]	Option-based Awards ($)[5]	Annual Incentive Plans ($)[6]	Pension Value ($)[7]	All Other Compensation ($)[8]	Total Compensation ($)
Charles Brindamour	2021	1,284,100	7,800,000	7,800,000	2,180,344	642,660	0	19,707,104
Chief Executive Officer, IFC	2020	1,261,000	6,305,000	0	2,388,610	158,639	0	10,113,249
	2019	1,261,000	5,674,500	0	1,821,849	363,300	0	9,120,649
Louis Marcotte	2021	555,677	1,188,000	0	593,740	613,996	0	2,951,413
Executive Vice President & Chief Financial Officer	2020	500,000	875,000	0	849,150	466,816	0	2,690,966
	2019	450,000	630,000	0	306,534	207,439	0	1,593,973
T. Michael Miller[1]	2021	990,322	4,578,779	4,270,000	1,384,362	16,085	158,063	11,397,611
CEO, Global Specialty Lines	2020	954,075	4,895,100	0	1,366,298	16,813	153,139	7,385,425
	2019	973,763	4,723,600	0	1,089,733	16,435	162,294	6,965,825
Louis Gagnon	2021	791,461	2,255,000	4,000,000	916,863	544,551	0	8,507,875
CEO, Canada	2020	750,000	1,875,000	0	1,108,406	411,091	0	4,144,497
	2019	700,000	1,575,000	0	794,719	336,051	0	3,405,770
Scott Egan[2]	2021	569,692	5,068,958	0	438,207	–	74,061	6,150,918
CEO, UK&I	2020	–	–	–	–	–	–	–
	2019	–	–	–	–	–	–	–

(1) Compensation for Mr. Miller has been converted to Canadian dollars using the following exchange rates:

		Exchange rate
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)
2019	Salary	1.29835 (as at December 31, 2019)
	Share-based Awards	1.3496 (as at the time of grant of the 2019–2021 LTIP)
	Annual Incentive Plans	1.34170 (as of the date of payment of the STIP on March 5, 2020)
	All Other Compensation	1.29835 (as at December 31, 2019)

(2) Compensation for Mr. Egan has been converted to Canadian dollars using the following exchange rates:

		Exchange rate
2021	Salary	1.71017 (as at December 31, 2021)
	Share-based Awards	1.71431 (as at May 31, 2021)
	Annual Incentive Plans	1.64433 (as of the date of payment of the upfront cash portion of the STIP on March 25, 2022)
	All Other Compensation	1.71017 (as at December 31, 2021)

Following Mr. Egan's departure from the Company on December 31, 2021, he received pro-rata treatment for his unvested 2021-2023 LTIP award as well as his unvested Special Award PSUs. For the LTIP, he is eligible to receive a time pro-rated number of shares or equivalents following the end of the performance cycle (subject to the company performance conditions in the case of the PSUs). For the Special Award, he is eligible to receive pro-rated deferred cash payments in lieu (subject to malus adjustment). The valuation in the table above is the value before the pro-rating was applied.

(3) The salaries reported in the Summary Compensation Table are the base salaries earned in the 2021, 2020 and 2019 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. Egan, base salary of GBP571,063 is prorated for the period of employment with Intact since June 1, 2021 and converted to Canadian dollars using the exchange rate indicated in note (2) above. Actual amounts were paid to Mr. Egan 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 (and RSUs for Mr. Egan) for the financial year 2021 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 the LTIP component in the Compensation Discussion & Analysis on pages 116 to 120 for individual LTIP percentages and the number of PSUs and RSUs into which this translates. In 2021, Mr. Egan was granted a special PSU award. Following his departure from the Company on December 31, 2021, he received pro-rata treatment for his unvested 2021-2023 LTIP award as well as his unvested Special Award PSUs. For the LTIP, he is eligible to receive a time pro-rated number of shares or equivalents following the end of the performance cycle (subject to the company performance conditions in the case of the PSUs). For the Special Award, he is eligible to receive pro-rated deferred cash payments in lieu (subject to malus adjustment). The valuation in the table above is the value before the pro-rating was applied.

(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 ten 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 2021 are the annual STIP awards to be 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 amount has been converted to Canadian dollars using the exchange rate on the date of payment of March 3, 2022, which was 1.26815. The 2021 STIP payment for Mr. Egan, which was prorated from June 1, 2021 to December 31, 2021, was GBP266,496 and the upfront cash portion of the STIP was paid on March 25, 2022, with the remainder deferred in RSUs. The amount has been converted to Canadian dollars using the exchange rate on the date of payment of March 25, 2022, which was 1.64433. 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$1,078,969 and a first payment was made on March 4, 2021 and a second payment was made on April 8, 2021. The amount has been converted to Canadian dollars using the exchange rate on the date of payment of March 4, 2021, which was 1.2663. The amounts disclosed in the Summary Compensation Table for 2019 are the annual STIP awards paid in the second quarter of 2020 for the performance year 2019. The 2019 STIP payment for Mr. Miller was US$812,203 and was paid on March 5, 2020. The amount has been converted to Canadian dollars using the exchange rate on the date of payment of March 5, 2020, which was 1.34170.

(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. 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. Egan has opted out of the Defined Contribution (DC) plan 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. Egan in 2021. The cash allowance was 14% of salary January 1, 2021 to March 31, 2021, and 13% of salary April 1, 2021 to December 31, 2021.

(8) The amount reported for Mr. Miller in 2019, 2020 and 2021 corresponds to the personal use of a corporate aircraft with a maximum value of US$125,000 (actual cost converted to Canadian dollars). The amount reported for Mr. Egan in 2021 corresponds to the cash allowance he elected to receive instead of participating in the voluntary Defined Contribution plan in the UK.

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

	Options-based Awards					Share-Based Awards			
						Number of Shares or Units of Shares that have not vested (#)[2]		Market or Payout Value of Share-based Awards that have not Vested ($)[3]	
Name	Grant Date	Number of securities underlying unexercised options (#)	Option exercise price ($)	Option expiration date	Value of unexercised in-the-money options ($)[1]	PSUs	RSUs	PSUs	RSUs
Charles Brindamour	June 1, 2021	406,778	$161.67	June 1, 2031	$1,118,640	124,746	30,533	$20,510,737	$5,020,236
Louis Marcotte	–	–	–	–	–	16,960	3,776	$ 2,788,563	$ 620,850
T. Michael Miller	June 1, 2021	224,866	$161.67	June 1, 2031	$ 618,382	208,628	24,637	$34,302,616	$4,050,816
Louis Gagnon	June 1, 2021	198,522	$161.67	June 1, 2031	$ 545,936	35,885	8,750	$ 5,900,212	$1,438,675
Scott Egan[4]	–	–	–	–	–	31,807	2,271	$ 5,229,707	$ 373,398

Notes:

(1) 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 31, 2021 Common Share price at closing of $164.42 and the exercise price of $161.67, assuming all performance criteria are met and full vesting of the PSOs (100%).

(2) 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 2019-2021, 2020-2022, and 2021-2023. The number of PSUs indicated for Mr. Miller includes the Special Award PSUs (119,733 PSUs) received by Mr. Miller in 2017 following the acquisition of OneBeacon, valued at US$10 million and which have not yet vested.

The details of the number of PSUs and RSUs allocated to NEOs under the LTIP performance cycles 2019-2021, 2020-2022 and 2021-2023 are as follows:

Performance cycle	Charles Brindamour	Louis Marcotte	T. Michael Miller	Louis Gagnon	Scott Egan
2019–2021	55,437	6,156	46,147	15,387	–
2020–2022	46,340	6,431	35,978	13,781	–
2021–2023	53,502	8,149	31,407	15,467	34,078

(3) With the exception of Mr. Miller's Special Award PSUs, which are subject to a minimum vesting target of 75%, 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 31, 2021, which was $164.42, 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 31, 2021, which was $164.42. 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 will also receive their LTIP awards composed entirely of PSUs starting with the 2022-2024 cycle.

(4) Following Mr. Egan's departure from the Company on December 31, 2021, he received pro-rata treatment for his unvested 2021-2023 LTIP award as well as his unvested Special Award PSUs. For the LTIP, he is eligible to receive a time pro-rated number of shares or equivalents following the end of the performance cycle (subject to the company performance conditions in the case of the PSUs). For the Special Award, he is eligible to receive pro-rated deferred cash payments in lieu (subject to malus adjustment). The numbers in the table above are before the pro-rating was applied.

Incentive Plan Awards – Value Vested or Earned During the Year

	Options-based awards – Value vested during the year ($)	Share-based awards – Value vested during the year ($)(1)	Non-equity incentive plan compensation – Value earned during the year ($)(2)
Charles Brindamour	$ 0	$10,835,261	$ 2,180,344
Louis Marcotte	–	$ 1,019,621	$ 593,740
T. Michael Miller	$ 0	$ 7,289,271	$ 1,384,362
Louis Gagnon	$ 0	$ 3,503,336	$ 916,863
Scott Egan	–	–	$ 438,207

Notes:

(1) a) **RSUs**

The RSUs allocated under the LTIP for the performance cycle 2018-2020 vested on January 1, 2021. The value indicated in the table represents the number of Common Shares allocated to each NEO, including dividend equivalents, multiplied by the price of the Common Share at closing on the vesting date, which was $150.72 (December 31, 2020). The number of Common Shares allocated to each NEO, including dividend equivalents, is as follows:

Name	Common Shares Allocated (#)	Value at Delivery (January 7, 2021) ($)
Charles Brindamour	16,109	$2,431,654
Louis Marcotte	1,516	$ 228,840
T. Michael Miller	13,986	$2,111,187
Louis Gagnon	4,680	$ 706,446
Scott Egan	–	–

Where applicable, the Common Shares were delivered to participants on January 7, 2021. The average share price of the Common Share over the last 20 days preceding the delivery date was $150.95. 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-Chairman. 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 2018-2020 vested on January 1, 2021. The Canadian portion paid out at 170% 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 116 to 120). The U.S. portion paid out at 83.8% of target. Mr. Brindamour and Mr. Marcotte received a payout based on 75% of the Canadian results and 25% of the U.S. results, which provided them with a total payout of 148.4% of their original number of PSUs granted. 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 105.35% of his original number of PSUs granted. Mr. Gagnon received a payout based on 100% of the Canadian results, which provided him with a total payout of 170% 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 on the vesting date, which was $150.72 (December 31, 2020). The number of Common Shares allocated to each NEO, including dividend equivalents, is as follows:

Name	Number of Common Shares Allocated (#)	Value at Delivery (April 29, 2021) ($)
Charles Brindamour	55,781	$8,935,558
Louis Marcotte	5,249	$ 840,837
T. Michael Miller	34,377	$5,506,852
Louis Gagnon	18,564	$2,973,767
Scott Egan	–	–

The Common Shares were delivered to participants on April 29, 2021. The average share price of the Common Share over the last 20 days preceding the delivery date was $160.19. 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-Chairman. 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.

(2) The value represents the amounts to be paid in the second quarter of 2022 for the STIP performance year 2021. For Mr. Miller, the amount was paid on February 28, 2022 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 1.2663. For Mr. Egan, the amount represents the portion of the bonus payable from June 1, 2021 to December 31, 2021, the upfront cash portion of which was paid on March 25, 2022 in British pounds. The amount shown for him has been converted to Canadian dollars using the exchange rate at the date of payment of 1.64433.

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 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)
Dilution 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%
Burn rate 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%

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 of 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, 2021).
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	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. 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.

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	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. Shareholders must approve the following changes: (a) increase in the maximum number of shares issuable pursuant to the Plan; (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; (c) amend the maximum term of the options to a date more than ten (10) years from the grant date; (d) extend the maximum term of any grant made under the Plan; (e) amend the transferability provisions of the Plan; (f) permit a non-employee Director to be eligible for grants under the Plan; (g) the addition of any form of financial assistance to a participant; (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; (i) include other types of equity compensation involving the issuance of Shares under the Plan; or Shareholder approval is not required for the following amendments: (a) amendments of a "housekeeping" nature; (b) a change to the vesting provisions of any grants; (c) a change to the termination provisions of any grant that does not entail an extension beyond the original term of the grant; or (d) amendments to the provisions relating to a Change in Control
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.

1. 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[1]	Louis Marcotte[1]	Louis Gagnon[1]
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

(1) Participant under the "Régime de retraite des employés d'Intact et de ses compagnies affiliées (regroupant les régimes enregistrés au Québec le 30 juin 2012)"

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.

2. SERP Plan

A SERP where the pension benefit is equal to the excess of (a) over (b), as follows:

(a) 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

(b) the amount of annual pension actually payable from the Base Plan.

For purposes 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.

The following table provides information on the NEOs participation in the Base Plan and SERP:

Name	Number of years of credited service (#)	Annual benefits payable[6] At year end ($)	Annual benefits payable[6] At age 65 ($)[1]	Opening present value of defined benefit obligation ($)[2]	Compensatory change ($)[3]	Non-compensatory change ($)[4]	Closing present value of defined benefit obligation ($)[5]
Charles Brindamour	26.6712	1,023,928	1,576,454	16,900,859	642,660	(1,098,745)	16,444,774
Louis Marcotte	15.1923	189,744	292,782	2,994,787	613,996	(147,029)	3,461,754
Louis Gagnon	14.9231	315,230	429,852	4,845,771	544,551	(188,139)	5,202,183

Notes:
(1) The information shown in this column was determined based on the final average earnings of each participant as of December 31, 2021 and years of credited service projected up to age 65 (assuming full-time employment).
(2) The information shown in this column was determined using the same assumptions and methods as those used for 2020 financial statement reporting purposes. In particular, the discount rate used to value the obligation is 2.73% per year for benefits accrued under the Base Plan and 2.66% per year for benefits accrued under the SERP.
(3) 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 2020 financial statement reporting purposes. In particular, the discount rate used to value the service cost is 2.83% per year for benefits accrued under the Base Plan and 2.80% per year for benefits accrued under the SERP.
(4) Includes all items that are not compensatory, such as changes in actuarial assumptions, interest cost and any data changes.
(5) 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 rates used are 3.29% per year for benefits accrued under the Base Plan and 3.23% per year for benefits accrued under the SERP.
(6) Pension benefit 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.

Intact USA Defined Contribution Plan

Mr. Miller participates in the Intact USA Retirement Savings Plan, which has the following features:

- Intact USA makes bi-weekly contributions equal to 3% of an employee's compensation. For this purpose, compensation is limited to the annual IRS limit (US$290,000 in 2021).
- 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$142,800 in 2021).
- Intact USA also makes a variable contribution – 0% to 6% of eligible compensation up to the IRS defined compensation limit (US$290,000 in 2021). 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.

The following table provides information on Mr. Miller's participation in the Intact USA Retirement Savings Plan:

Name	Accumulated value at start of year ($)	Compensatory change ($)[2]	Non-compensatory change ($)[3]	Accumulated value at year end ($)
T. Michael Miller[1]	1,081,440	16,085	128,129	1,225,654

Notes:
(1) Figures are expressed in Canadian dollars.
(2) Contributions made by Intact USA between January 1, 2021 and December 31, 2021.
(3) 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.

Mr. Scott Egan

Mr. Egan does not participate in an employer-sponsored retirement plan.

7.8 Termination and Change of Control Benefits

The Company does not have employment contracts with its NEOs, except for Mr. Miller and Mr. Egan. 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 installments over a period of 24 months;
- continued participation in the Company's well-being benefit plans for a period of 24 months; and
- in respect of outstanding PSUs (including the Special Award PSUs) and RSUs, the Pro-Rata LTIP Treatment (as each such term is defined below).

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 (as such term is defined below) on or prior to December 31, 2022, his outstanding PSUs (other than the Special Award PSUs) and RSUs will 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 (the "Pro-Rata LTIP Treatment"); provided further that if Mr. Miller Retires on January 1, 2023 or later, his outstanding PSUs (other than the Special Award 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 as mutually agreed between Mr. Miller and the Company prior to December 31, 2022, (b) a voluntary termination of employment on or following January 1, 2023, (c) Mr. Miller's death or (d) the Company terminates Mr. Miller's employment due to Disability as defined in the OneBeacon 2017 Long-Term Incentive Plan.

Except as provided above, upon Mr. Miller's termination of employment for any reason, outstanding Special Award PSUs shall be forfeited; however, upon (i) Mr. Miller's death, (ii) the Company terminating Mr. Miller's employment due to Disability or (iii) a Change in Control (as defined below) following the closing of the OneBeacon acquisition, the Special Award PSUs shall vest and be paid without proration related to the duration of employment on the original payment date(s) based on the actual level of performance achievement for completed years of the performance cycle and target level of performance achievement for future years.

Mr. Egan's Departure Agreement with Intact Financial Corporation

Mr. Egan's employment was subject to the terms of a service agreement with RSA Insurance Group Limited. Under the terms of his departure, Mr. Egan received payment of an equivalent of 12 months of his base salary, pension, accrued holiday pay and perquisites in an amount of GBP708,638. He is also eligible to receive an award of GBP266,496 under the terms of the Company's 2021 annual bonus plan for UK&I participants and 40% of which is subject to deferral as RSUs, payable in three equal tranches over three years from the date of the grant. His deferred cash payments of GBP106,587 under the 2021 annual bonus plan for UK&I participants for service from January 1, 2021 to May 31, 2021 will be paid out in three equal tranches over three years beginning in June 2022. Cash payment for Mr. Egan's accumulated performance share awards acquired as part of the Company's acquisition of RSA Group comprise a payment of GBP137,073.06 in December 2021, and two additional payments in each of March 2022 and March 2023.

Mr. Egan has been given "good leaver" status with respect to unvested awards under the Company's LTIP for 2021 and the Special Award PSUs. This means the original notional target award opportunity has been pro-rated. In the case of the unvested LTIP, the original notional target award opportunity (5,298 PSUs and 2,271 RSUs) has been time pro-rated with 1,748 PSUs and 749 RSUs remaining in place. The payout from these will be determined at the end of the performance period on December 31, 2023 and will be based upon the company performance conditions (in the case of the PSUs) and the Company's common share price. Mr. Egan has also been given "good leaver" status with respect to the unvested Special Award PSUs as part of the Company's successful integration of RSA Group. The original target award opportunity (26,509 PSUs valued at GBP2,500,000) has been pro-rated and converted to three equal tranches of deferred cash of GBP291,599 each which are due to be paid in

November 2022, 2023 and 2024 subject to malus adjustment. Therefore, the combined total notional target opportunity of the unvested LTIP and Special Award PSUs (31,807 PSUs and 2,271 RSUs, i.e. 34,078 units total) shown in earlier sections of this report has been pro-rated to 1,748 PSUs, 749 RSUs and three tranches of deferred cash of GBP291,599 each.

The terms of the departure agreement include standard provisions with respect to confidentiality, conduct, respect of the Company's share ownership requirement prohibiting share sales until the 2X LTIP target is reached, assistance and cooperation, and malus/clawback provisions.

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, 2021

Executives' and former Executives' outstanding equity-based incentives may be subject to reduction or recoupment under the terms of our clawback policy. See **page 109** for more information on our clawback policy.

The Company does not have employment contracts with its NEOs, except for Mr. Miller and Mr. Egan as noted above.

The Outstanding Share-Based Awards table on **page 134** 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, 2021.

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, 2021 (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, 2021) that would have been eligible for accelerated vesting as a result of termination. These values are based on a share price of $164.42, the closing price of our common shares on December 31, 2021, and U.S. dollar amounts have been converted to Canadian dollars using the exchange rate on December 31, 2021, which was 1.26450.

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	–	–	3,793,500	3,793,500
	Equity-Based Incentives	–	–	21,221,870	28,510,264[(1)]
	Value of benefits plans	–	–	26,615	26,615
	Total	–	–	25,041,985	32,330,379

(1) 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 Special Award PSUs and of the IFC LTIP for the performance cycles 2019-2021, 2020-2022 and 2021-2023 which are subject to double-trigger change of control provisions.

8 Approval of the Board of Directors

The Board of Directors has approved the contents and the distribution of this Management Proxy Circular to the shareholders of the Company.

Frederic Cotnoir

Frédéric Cotnoir
Executive Vice President & Chief Legal Officer

March 31, 2022

Glossary of Terms

"AMF"
means the Autorité des marchés financiers;

"AIF"
means the Company's Annual Information Form dated February 8, 2022, in respect of the financial year ended December 31, 2021;

"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;

"Board of Directors" or "Board"
refers to the board of directors of the Company;

"CBCA Amendments"
means the recent amendments to the *Canada Business Corporations Act* related to Board and Senior Management diversity disclosure, effective January 1, 2020;

"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, 2022, 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;

"CRCG Committee"
means the Compliance Review and Corporate Governance Committee of the Board of Directors;

"CRO"
means the Chief Risk Officer of the Company;

"Designated Groups"
means Indigenous Peoples, persons with disabilities and visible minorities;

"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, and Vice Presidents of 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 January 31, 2022, the Executive Officers were the individuals listed on pages 25 and 26 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 leaders, and higher positions within the Company;

"Meeting"
means the annual meeting of shareholders of the Company to be held on May 11, 2022;

"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;

"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 and Senior Executives under the LTIP;

"Senior Executives" or "Senior Management"
means the CEO, Presidents, Executive Vice Presidents, Vice Chair 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;

"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

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 Committee 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 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 Group's 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 Corporate Governance

i) Sets the tone for the integrity, ethics and compliance 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 permitted Related Party Transactions.

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.

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 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) or 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, periodically with the assistance of external advisors.

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 Compliance Review and Corporate Governance 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 27, 2021.

How to Contact Us

Investors

Intact Financial Corporation
Investor Relations Department
700 University Avenue, Suite 1500
Toronto, Ontario M5G 0A1
Email: ir@intact.net
Phone: (416) 341-1464 or
1 (855) 646-8228 (toll-free within North America), ext. 45110

Shareholders

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
Phone: 1 (800) 564-6253

Independent Directors

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
Phone: (514) 985-7111 x 83131 or
1 (888) 221-7111 (toll-free within North America)

Management

For inquiries related to the Company's general business operations, financial results, strategic direction and similar matters.

Intact Financial Corporation
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700 University Avenue, Suite 1500
Toronto, Ontario M5G 0A1
Email: ir@intact.net
Phone: (416) 341-1464 or
1 (855) 646-8228 (toll-free within North America), ext. 45110

Further information relating to Intact Financial Corporation may be obtained from its website at www.intactfc.com and from the SEDAR website at 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, 2021 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
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