

CEO Charles Brindamour's speech at 2021 Annual and Special General Meeting of Shareholders



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– Charles Brindamour, CEO

INTRO

Good afternoon. Thank you for joining us today.

As you know, our purpose at Intact is to help people, businesses and society. We want to help them prosper in good times and be resilient in bad times. Over the last year, it seemed our purpose mattered more than ever.

Indeed, 2020 has been extraordinarily difficult for everyone. The pandemic has inflicted tremendous pain across the globe. It has put incredible pressure on the health care system in addition to severe social and economic consequences that will hurt for years to come. As we tried to do our part, we were inspired by the dedication of essential and health care workers. We were energized by people's resilience across so many communities.

And 2020 helped us redefine resilience:

- We started the year in a position of strength, and the integration of our latest acquisition, the Guarantee Company of North America, was at the top of our list;
- By March, we were in full crisis management mode, sending 99% of our 16,000 people home to protect them;
- Within weeks, we launched the first relief effort, which has helped over 1.2 million customers;
- We also worked quickly with elected officials across Canada to provide risk management expertise in managing the crisis;
- With customers' and brokers' service undisrupted — thanks to our employee's engagement and unwavering commitment — we turned our attention to winning in the marketplace;
- By April, we started to focus on the strategic implications of the crisis and doubled down our investments in digital and AI to advance the long-term positioning of Intact;
- With strong financial performance and resources, we then went on to announce the RSA acquisition, one of the largest and most transformative in our industry, a tremendous accelerator to our strategy;
- And, we delivered a strong performance for our shareholders while beating our competitors by close to 600 bps of ROE.
- Throughout all of this --, people were at the heart of our decision-making. And I am proud to say that we have welcomed close to 2,000 new colleagues during the pandemic.
- While 2020 was extraordinarily demanding on our people, we increased employee engagement and solidified our position as one of North America's best employers.

Ladies and gentlemen, this is what we mean by resilience.

Our ability to deliver strong results, accelerate our strategy and help people comes from being grounded in our Values and purpose. That purpose – to help – drives everything we do.

Today, I will tell you about the steps we are taking to address the effects of the pandemic, win in the marketplace and build a more resilient society.

OUR RESPONSE TO COVID-19

Our response to the pandemic has indeed been swift. Over the past year, we have leveraged our leaders' can-do attitude, our employees' willingness to step up, and our strong financial position to help people in need -- while continuing to execute on our strategy.

Beyond protecting our employees, our focus from the start was to help those most in need. We provided a total of \$530 million in relief in 2020, through policy adjustments, premium reductions, and flexible payment options. Our Intact Small Business Relief Program offered \$50 million in financial support for about 100,000 small business customers.

The latest waves have been especially tough. That's why in March, we introduced a new round of customer relief equivalent to one month of auto premium. This additional \$75 million brings our total customer relief to over \$600 million.

While the vaccine now gives us hope that we will see some return to normalcy in the second half of the year, it's important that businesses continue to protect and support their employees and communities.

A lot has changed in the past year – especially for consumers. We're seeing an increased focus on value for money, ease of access, and strong digital engagement.

Beyond the pandemic, the environment we are operating in will continue to change. There are a number of changes we are watching closely:

- The disruptive forces in the insurtech market top the list. The pace of digital adoption over the past year is forcing all industries to re-assess their capabilities. We are well placed here we've been preparing for this for years. But we are taking a fresh look, challenging the status quo and asking ourselves where we can invest more.
- Secondly is the future of transportation – and we've studied this extensively. Electrification has really accelerated. We're now looking at how we adapt and modify our products and distribution relationships to make the most of the changes we're seeing on this front.
- The last trend is climate change. We've taken transformative action to protect and prepare our business and our customers. I'll share a bit more on this later. We will continue to lead on adaptation and will turn our attention to how we win in the marketplace as the world transitions to net-zero by 2050.

For Intact, we see these trends as opportunities to continue leveraging our strengths in digital, data and AI, and to create value through new and emerging ecosystems, distribution channels, and value-added services.

We will use these strengths to win in this changing environment and achieve our three main objectives. And these are: our customers are our advocates; our people are engaged, and our company is one of the most respected in the markets where we operate.

OUR STRATEGY

To achieve these objectives, our game plan is based on five key strategies, all of which are accelerated by the acquisition of RSA. My colleagues and I are keen to welcome thousands of new colleagues when the acquisition closes at the end of the month.

OUR STRATEGIC ROADMAP

The first pillar in our strategic roadmap is **expanding and strengthening our leadership position in Canada.**

Engaging customers digitally is key. In fact, we are aiming to have 3 out of 4 customers actively digitally engaged with us. Over the past year, we've made significant progress

by meeting customer demand for digital options by offering market-leading insurance apps and telematics capabilities, in addition to many changes in claims.

Strengthening our Canadian distribution channels remains a key focus:

- BrokerLink continues to grow organically and through acquisitions, and we've set a new premium target of \$3 billion.
- belairdirect national and digital presence is strong and is well on its way to having the simplest customer experience in Canada. All that at a fraction of the cost of our competitors.

The RSA acquisition will expand our leadership by 30% in Canada while bringing complementary offerings in commercial lines and a well-known affinity business with Johnson Insurance.

Our second strategic pillar is **building a leading specialty lines insurer**. In 2020, Specialty Solutions premiums grew to \$3 billion, helped by the integration of the Guarantee Company of North America. With the acquisition of RSA, we are strengthening our North American position and gaining global capabilities. We are on course to double the size of that business by 2025.

Our third pillar is **strengthening a leading position in the UK and Ireland**. While RSA has a strong position in home insurance and commercial lines, we believe there is an opportunity to reinforce these positions by leveraging our skills in risk selection, data, claims management and technology. We want to build on the momentum that the team has created in those markets and create outperformance within three years.

The fourth pillar in our strategic roadmap is **transforming our competitive advantages**. While we have outperformed our peers by nearly 700 bps of ROE over the last decade, we don't take this performance for granted.

We are doubling down on our technology platform investments to fast-track improvements to the customer experience, and by growing our revenues by close to 70% with the acquisition of RSA. Our ability to invest in our outperformance core capabilities will be greatly enhanced.

Finally, we're focused on **investing in our people**. Employee Engagement is something we work on every day as employees are essential to our success.

Despite the challenges of the past year, we had record-high levels of engagement in 2020, and our people have not missed a beat.

In return, we are committed to providing employees with the opportunity to shape the future, win as a team, and grow with us. We invested in the rollout of digital collaboration tools and a new e-learning platform to help our employees adapt and succeed as we prepare for the workplace of the future.

I want to thank all of our employees. They have been there day in and day out for our customers, brokers and communities, and I commend their can-do attitude, flexibility and their empathy.

CLIMATE

While we've been focused on the pandemic, our work on climate adaptation and resilience continues to be a top priority. The pandemic has driven home the importance of good risk management practices and the need to prepare for large tail-risk events.

Over the past decade, we have made much progress on preparing Intact and helping society anticipate the consequences of climate change. As natural disasters have increased by a factor of four in the past 30 years, this effort is existential.

We started by transforming our property products and how we price and select risks over a decade ago. We then invested significantly in the claims supply chain and in helping customers mitigate the consequences of extreme events. Today, protecting our customers against natural disasters is a profitable and growing business.

From those learnings, we have invested heavily to help society be better prepared. We created the Intact Centre on Climate Adaptation in 2015. To back our research with concrete actions, we have supported more than 90 projects through climate adaptation grants across Canada. Beyond our know-how and resources, we have committed in excess of \$16 million to support these ideas.

I am proud of our commitment to help fight climate change – and we will continue to build on our leadership in the climate adaptation space. But, it's just not enough.

As a society, if we don't modify how we consume goods and services, how we move and live, we are headed for an increase in average temperatures in excess of 3°C to 4°C over the next three decades. Under that scenario we will see more storms, extreme heat, drought, and forest fires, as well as a whole range of consequences to coastal areas, biodiversity, health, prosperity and ultimately security.

Many countries, including Canada and the US, have committed to achieve net-zero emissions in the next 30 years. This will be really hard. That's why governments, businesses and individuals will all need to contribute. That's where we come in.

Our plan is rooted in four big ideas:

- Become carbon neutral by 2025
- Double down on adaptation
- Leverage our technology to shape customers' behaviours
- Enable the transformation of industries that are key to the transition and help the creation of new ones

Governments, businesses and communities must work together to build a climate-resilient society. We have a collective responsibility to ensure that our most vulnerable and climate-affected communities are climate-resilient.

CONCLUSION

In conclusion, while we as a society are facing many challenges both in the short and longer term, we are optimistic about the future and we believe that Intact has an important role to play.

We are looking forward to welcoming our RSA colleagues to the Intact family very soon.

I want to close and thank our board of directors, shareholders, brokers, customers and our employees. We're ready to continue delivering strong results and to play a role in rebuilding our communities and the economy.

We are energized by the possibilities ahead.

Thank you.