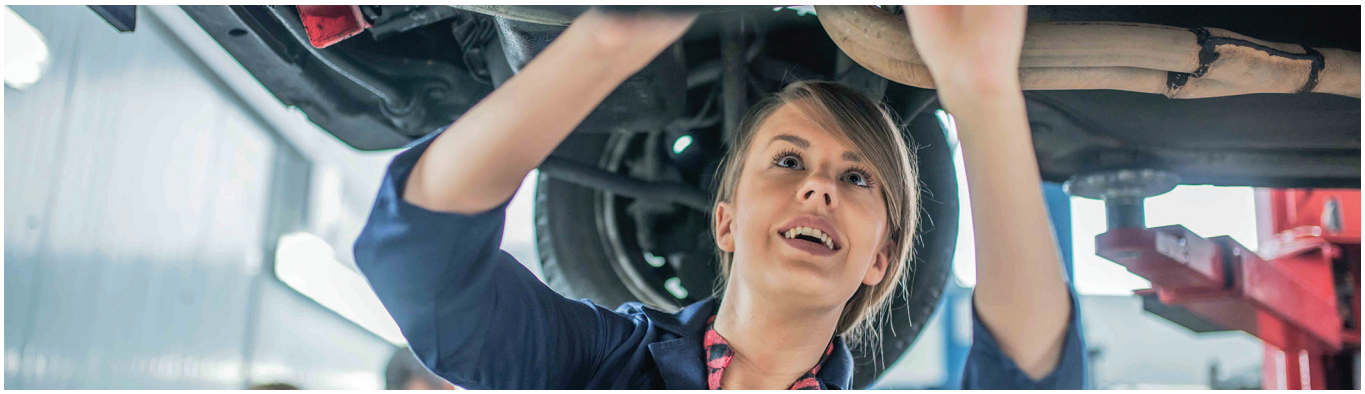
Intact Financial Corporation

Annual Information Form
March 30, 2020



Building a Resilient Future

Our purpose, values and core belief

Our purpose is to help people, business and society prosper in good times and be resilient in bad times. We built a business with help in mind – it's why we exist.

Our values guide how we work with customers, employees, shareholders and defines our role in society.

Our core belief is that insurance is about people, not things. This is why we've created a customer driven approach and set clear expectations for our leaders with our leadership success factors.

Our values

Our values guide our decision making and emphasize our commitment to excel in all aspects of our business. We won't compromise on our values because our values matter as much as our results.

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

Respect
- Be kind
- See diversity as a strength
- Be inclusive and collaborate

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

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

Generosity
- Help others
- Protect the environment
- Make our communities more resilient

Our leadership success factors

Live our values | Care for people | Be open and honest | Take accountability | Drive change

Our objectives

Our customers are our advocates
- 3 out of 4 customers are our advocates
- 3 out of 4 customers actively engage with us digitally

Our people are engaged
- Be a best employer
- Be a destination for top talent and experts

Our company is one of the most respected
- Exceed industry ROE by 500 bps
- Grow NOIPS 10% yearly over time

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and list of information incorporated by reference

Cautionary Note regarding Forward-looking Statements

Certain of the statements included or incorporated by reference in this Annual Information Form about the Company's current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward-looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "trends", "indications", "anticipates", "believes", "estimates", "predicts", "likely", "potential" or the negative or other variations of these words or other similar or comparable words or phrases, are intended to identify forward-looking statements. Unless otherwise indicated, all forward-looking statements directly included in this AIF are made as at March 30, 2020 and all forward-looking statements incorporated by reference are made as at December 31, 2019, and are subject to change after these dates. This AIF also contains forward-looking statements with respect to the acquisition (the "Acquisition") of The Guarantee Company of North America ("The Guarantee") and Frank Cowan Company Limited ("FCC").

Forward-looking statements are based on estimates and assumptions made by management based on management's experience and perception of historical trends, current conditions and expected future developments, as well as other factors that management believes are appropriate in the circumstances. Many factors could cause the Company's actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors:

- expected regulatory processes and outcomes in connection with its business;
- the Company's ability to implement its strategy or operate its business as management currently expects;
- its ability to accurately assess the risks associated with the insurance policies that the Company writes;
- unfavourable capital market developments or other factors which may affect the Company's investments, floating rate securities and funding obligations under its pension plans;
- the cyclical nature of the P&C insurance industry;
- management's ability to accurately predict future claims frequency and severity, including in the high-net-worth and personal auto lines of business;
- government regulations designed to protect policyholders and creditors rather than investors;
- litigation and regulatory actions;
- periodic negative publicity regarding the insurance industry;
- intense competition;
- the Company's reliance on brokers and third parties to sell its products to clients and provide services to the Company;
- the Company's ability to successfully pursue its acquisition strategy;
- the Company's ability to execute its business strategy;
- the Company's ability to achieve synergies arising from successful integration plans relating to acquisitions;
- the terms and conditions of the Acquisition;
- the Company's expectations in relation to synergies, future economic and business conditions and other factors in relation to the Acquisition and resulting impact on growth and accretion in various financial metrics;
- the Company's profitability and ability to improve its combined ratio in the United States;
- the Company's ability to improve its combined ratio in relation to the Acquisition;
- the Company's ability to retain business and key employees in relation to the Acquisition;
- the Company's participation in the Facility Association (a mandatory pooling arrangement among all industry participants) and similar mandated risk-sharing pools;
- terrorist attacks and ensuing events;
- the occurrence and frequency of catastrophe events, including a major earthquake;
- catastrophe losses caused by severe weather and other weather-related losses, as well as the impact of climate change;
- the occurrence of and response to public health crises including epidemics, pandemics or outbreaks of new infectious diseases, including, most recently, the coronavirus (COVID-19) pandemic and ensuing events;
- the Company's ability to maintain its financial strength and issuer credit ratings;

- the Company's access to debt and equity financing;
- the Company's ability to compete for large commercial business;
- the Company's ability to alleviate risk through reinsurance;
- the Company's ability to successfully manage credit risk (including credit risk related to the financial health of reinsurers);
- the Company's ability to contain fraud and/or abuse;
- the Company's reliance on information technology and telecommunications systems and potential failure of or disruption to those systems, including in the context of evolving cybersecurity risk;
- the impact of developments in technology and use of data on the Company's products and distribution;
- the Company's dependence on and ability to retain key employees;
- changes in laws or regulations;
- general economic, financial and political conditions;
- the Company's dependence on the results of operations of its subsidiaries and the ability of the Company's subsidiaries to pay dividends;
- the volatility of the stock market and other factors affecting the trading prices of the Company's securities;
- the Company's ability to hedge exposures to fluctuations in foreign exchange rates;
- future sales of a substantial number of its common shares;
- changes in applicable tax laws, tax treaties or tax regulations or the interpretation or enforcement thereof.

All of the forward-looking statements included or incorporated by reference in this AIF are qualified by these cautionary statements and those made in the section entitled *Risk Management* at pages 53 to 72 of our Management's Discussion and Analysis for the year ended December 31, 2019 ("2019 MD&A"), in Notes 10 and 13 at pages 31 to 37 and 41 to 43 of our Consolidated Financial Statements for the year ended December 31, 2019 ("2019 Consolidated Financial Statements") and those made in our other filings with the securities commissions or similar authorities in Canada that are incorporated by reference in this AIF as well as the risk factors described on page 13 of this AIF. These factors are not intended to represent a complete list of the factors that could affect the Company. These factors should, however, be considered carefully. Although the forward-looking statements are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. When relying on forward-looking statements to make decisions, investors should ensure the preceding information is carefully considered. Undue reliance should not be placed on forward-looking statements made herein or in the documents incorporated herein by reference. The Company and management have no intention and undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Unless otherwise specified, this AIF presents information as at December 31, 2019 and all amounts are in Canadian dollars.

Capitalized terms used in this AIF are defined in the glossary provided on page 29 of this AIF.

Corporate Structure

Name, Address and Incorporation

Intact Financial Corporation is a holding company incorporated under the *Canada Business Corporations Act* which, through its operating subsidiaries, provides property and casualty insurance in Canada and specialty insurance in the United States.

As the largest provider of P&C insurance in Canada, we distribute insurance under the Intact Insurance brand through a wide network of brokers, including our wholly owned subsidiary BrokerLink, directly to customers through belairdirect and we now have a new platform to distribute specialty insurance products in Canada through our managing general agent, FCC.

In Canada, the Company meets customers' needs utilizing a multi-channel distribution model through the following subsidiaries: Intact Insurance Company, Novex Insurance Company, The Nordic Insurance Company of Canada, Trafalgar Insurance Company of Canada, Belair Insurance Company Inc., Jevco Insurance Company, The Guarantee and Brokerlink Inc[1].

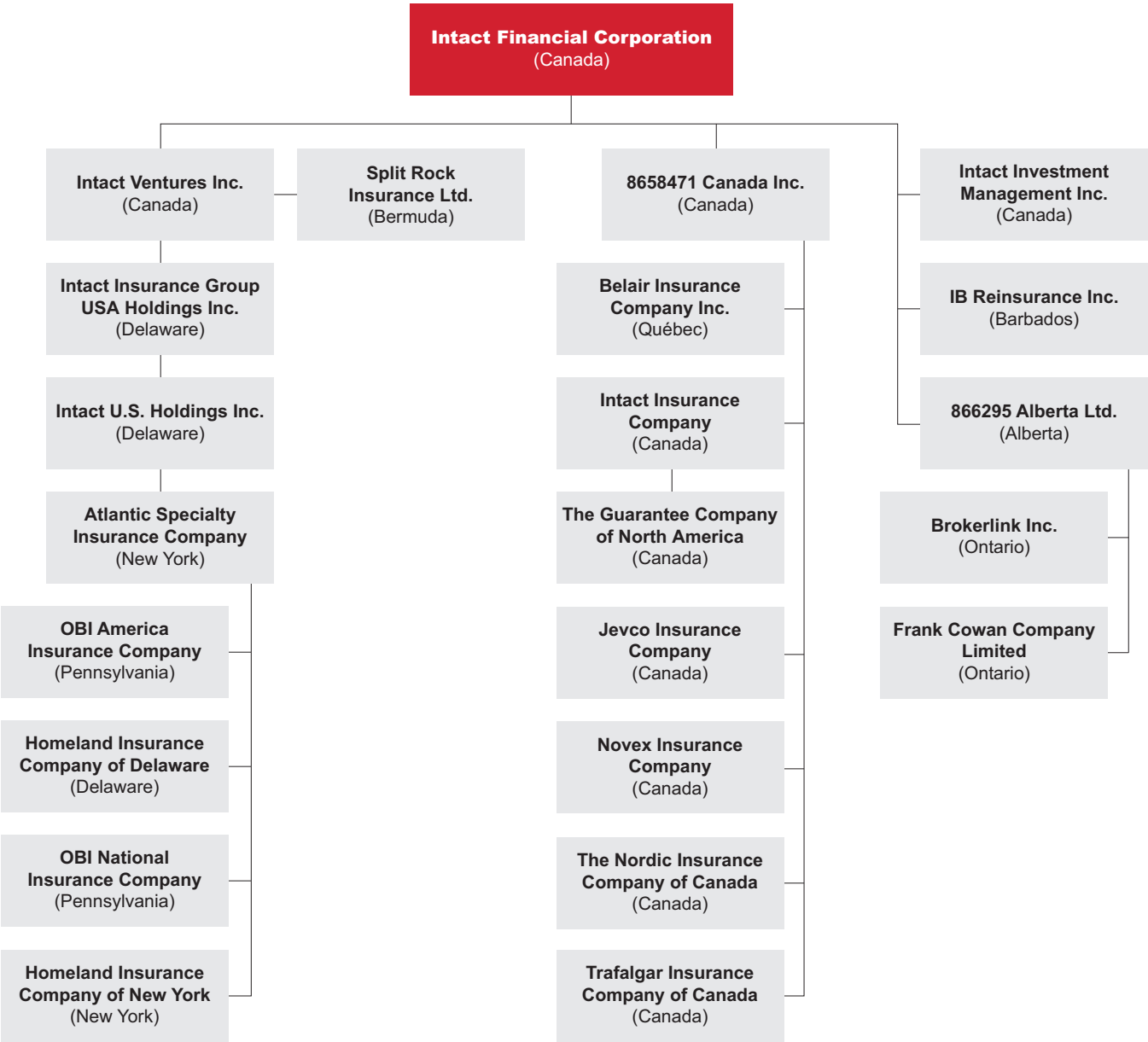
In the United States, the Company, through independent agencies, brokers, wholesalers and managing general agencies, provides insurance to its customers through the following five underwriting subsidiary companies: Atlantic Specialty Insurance Company, Homeland Insurance Company of Delaware, Homeland Insurance Company of New York, OBI America Insurance Company, OBI National Insurance Company and The Guarantee Company of North America USA.

Our registered and principal business office is located at 700 University Avenue, Suite 1500-A (Legal), Toronto, Ontario, M5G 0A1.

[1] As of January 1, 2020, Canada Brokerlink Inc. became Brokerlink Inc.

Intercorporate Relationships

The following chart illustrates our corporate structure as at March 30, 2020, together with the jurisdiction of incorporation of each of our principal subsidiaries. The chart includes our operating insurance subsidiaries, as well as our subsidiaries representing more than 10% of the Company's consolidated assets or more than 10% of the Company's consolidated revenues. The other subsidiaries of the Company, not illustrated in the chart, represent together 20% or less of the Company's consolidated assets and 20% or less of the Company's consolidated revenues. Unless otherwise indicated herein, each subsidiary is directly or indirectly owned 100% by us.



General Development of the Business

Our business was founded in 1809, with the formation of The Halifax Fire Insurance Association which later became our first predecessor company: The Halifax Insurance Company, incorporated in 1819. Between 1988 and 2019, the Company successfully completed 17 major acquisitions involving the integration of several P&C insurance businesses.

Based on the most current industry statistics, the Company is the largest provider of P&C insurance in Canada (as measured by direct premiums written), and a leading provider of specialty insurance in North America, with over $11 billion in total annual premiums.[2] As at December 31, 2019, the Company, including our operational units, had approximately 16,000 employees across Canada and the U.S.

Three Year History

On February 9, 2017, the Company announced its intention to proceed with an NCIB which began on February 13, 2017 to purchase for cancellation, during the next 12 months, up to 6,551,741 of its Common Shares, representing approximately 5% of its issued and outstanding Common Shares as of February 1, 2017. This NCIB expired on February 12, 2018 and was not renewed.

On May 2, 2017, the Company announced that it had entered into a definitive agreement and plan of merger pursuant to which it had agreed to acquire OneBeacon Insurance Group, Ltd. (now Intact Insurance Group USA Holdings Inc.) (the “OB Acquisition”), a leading US specialty insurer for an aggregate consideration of $2.3 billion (US$1.7 billion). The OB Acquisition was completed on September 28, 2017, and a material change report and a Form 51-102F4 Business Acquisition Report describing the OB Acquisition were filed on May 4 and October 5, 2017, respectively.

On May 4, 2017, the Company filed a supplement to its short form base shelf prospectus dated September 10, 2015, pursuant to which the Company offered 8,210,000 subscription receipts (including the exercised over-allotment option) (the “Subscription Receipts”) at a price of $91.85 per Subscription Receipt (the “Receipt Offering”) for gross proceeds to the Company of $747 million. The Receipt Offering closed on May 11, 2017. Each Subscription Receipt entitled the holder to receive, upon closing of the OB Acquisition, one Common Share of the Company plus an amount equal to the dividends paid on the Common Shares by the Company on June 30, 2017 and September 29, 2017. Upon closing of the OB Acquisition, the Subscription Receipts were automatically exchanged in accordance with their terms on a one-for-one basis for Common Shares. The material change report as well as the prospectus supplement were filed on May 4, 2017 containing a detailed description of the terms of the Subscription Receipts and of the Receipt Offering.

On May 24, 2017, the Company announced the closing of its bought deal offering of 6,000,000 Series 5 Preferred Shares for aggregate gross proceeds of $150 million, pursuant to a prospectus supplement filed on May 16, 2017.

On June 7, 2017, the Company completed an offering of $425 million principal amount of Series 7 Notes pursuant to its medium term note program and to a pricing supplement filed on June 1, 2017.

On August 18, 2017, the Company announced the closing of its bought deal offering of 6,000,000 Series 6 Preferred Shares for aggregate gross proceeds of $150 million, pursuant to a prospectus supplement filed on August 11, 2017.

On May 29, 2018, the Company completed an offering of 10,000,000 Series 7 Preferred Shares for aggregate gross proceeds of $250 million, pursuant to a prospectus supplement filed on May 22, 2018.

On August 6, 2019, the Company announced that it had entered into an agreement to acquire On Side Developments, Ltd., the parent company of On Side Restoration, a national restoration firm. The acquisition of On Side was completed on October 1, 2019.

On August 15, 2019, the Company announced that it had entered into a definitive agreement pursuant to which it had agreed to acquire The Guarantee, a specialty lines insurer in Canada and the U.S. and FCC, an MGA focused on specialty insurance, for an aggregate consideration of $1 billion. The Acquisition was completed on December 2, 2019, and a material change report describing the Acquisition was filed on August 19, 2019.

On August 19, 2019, the Company filed a supplement to its short form base shelf prospectus dated November 15, 2017, pursuant to which the Company offered 3,829,500 subscription receipts (including the exercised over-allotment option) (the “2019 Subscription Receipts”) at a price of $120.45 per Subscription Receipt (the “2019 Receipt Offering”) for gross proceeds to the Company of $461 million. The 2019 Receipt Offering closed on August 26, 2019. Each 2019 Subscription Receipt entitled the holder to receive, upon closing of the Acquisition, one Common Share of the Company plus an amount equal to the dividend paid on the Common Shares by the Company on September 30, 2019. Upon closing of the Acquisition, the 2019 Subscription Receipts were automatically exchanged in accordance with their terms on a one-for-one basis for Common Shares. The material change report as well as the prospectus supplement were filed on August 19, 2019 containing a detailed description of the terms of the 2019 Subscription Receipts and of the 2019 Receipt Offering.

[2] Annual premiums for 2019 are comprised of the annual premiums of our P&C insurance activities in Canada and the annual premiums of our P&C insurance activities in the U.S., using an exchange rate of 1.33.

On September 3, 2019, the Company repaid at maturity the $250 million principal amount of its Series 1 Notes.

On February 18, 2020, the Company announced the closing of its bought deal offering of 6,000,000 Series 9 Preferred Shares for aggregate gross proceeds of $150 million, pursuant to a prospectus supplement filed on February 10, 2020.

On March 24, 2020, the Company completed an offering of $300 million principal amount of Series 8 Notes pursuant to its medium term note program and to a pricing supplement filed on March 23, 2020.

All prospectus supplements, pricing supplements, material change reports and the business acquisition report mentioned above are available on the Company's profile on SEDAR (www.sedar.com).

Reorganizations

On September 28, 2017, Intact Acquisition Co. Ltd. merged with OneBeacon Insurance Group, Ltd. and continued as OneBeacon Insurance Group, Ltd. OneBeacon Insurance Group, Ltd. then merged with Intact Bermuda Holdings Ltd. and continued as OneBeacon Insurance Group, Ltd. Since then, OneBeacon Insurance Group, Ltd. has been re-domiciled from Bermuda to Delaware in the United States and continued as a corporation organized under the laws of the state of Delaware and has been renamed OneBeacon Insurance Group Holdings, Ltd (subsequently renamed Intact Insurance Group USA Holdings Inc. effective February 18, 2020).

On December 2, 2019, 11572857 Canada Inc., the holding company containing the assets acquired as part of the Acquisition, was wound up into 11554280 Canada Inc. ("AcquisitionCo"), the acquisition vehicle created by the Company for the purpose of the Acquisition. Subsequently, FCC was transferred from AcquisitionCo to 866295 Alberta Ltd.

On January 1, 2020, The Guarantee amalgamated with AcquisitionCo, with The Guarantee as the resulting insurance company. The Guarantee subsequently transferred its U.S. operations under our U.S. insurance group structure. Finally, The Guarantee became a subsidiary of Intact Insurance Company through a sale and purchase agreement between Intact Insurance Company and 8658471 Canada Inc.

Description of our Business

The Company has two reportable segments: Canada and U.S. The composition of our segments is aligned with our management structure and internal financial reporting based on country and the nature of our activities. An overview of our business segments is provided in the section entitled *About Intact Financial Corporation* on page 5 of our 2019 MD&A, which section is incorporated herein by reference.

Some activities which are managed at the corporate level are categorized as Corporate and Other which is described in more detail on page 11 of this AIF.

Canada and U.S.

Information regarding our Canada and U.S. segments is available in the sections entitled *Canada* and *U.S.* at pages 12 to 17 and 18 to 20 of our 2019 MD&A, which sections are incorporated herein by reference

Activities and Products

Our Canada segment is comprised of (i) underwriting activities, with our principal insurance products being automobile, home and commercial insurance contracts (including specialty lines products), which we provide to individuals and businesses across Canada, and with the Acquisition, we now also offer products tailored for customers who have multiple or high valued properties, cars and other assets, and (ii) distribution and other activities in Canada, which include: (a) the operating results of our wholly-owned broker, BrokerLink; (b) our share of operating results of broker affiliates, (c) the operating results of our wholly-owned MGA, FCC and (d) our share of operating results of On Side, a Canadian restoration firm.

Our U.S. segment is comprised of underwriting activities. We provide specialty insurance contracts to small and midsize businesses in the U.S. solving the unique needs of particular customers or industry groups including accident and health, technology, ocean and inland marine, public entities, and entertainment. We also provide distinct products and tailored coverages to a broad customer base across the U.S. such as tuition reimbursement, surety, management liability, financial services, specialty property, environmental and financial institutions. Our U.S. segment benefited from the Acquisition, which bolstered our position in the contract surety market.

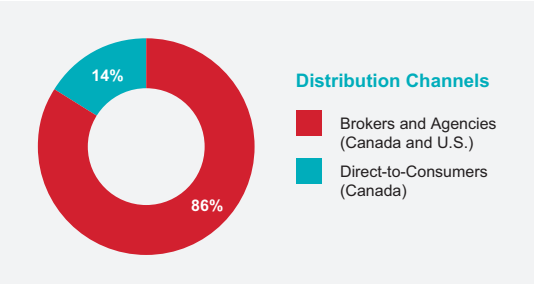
Brands

In Canada, we offer our insurance products mainly under the Intact Insurance brand (in personal and commercial lines) and under the belairdirect brand (in personal lines). We also offer our products under third party brand names in the context of white labeling agreements. Furthermore, we offer non-standard automobile insurance under the Jevco brand, in personal and commercial lines. As for our distribution activities, we distribute insurance products under the BrokerLink brand in the Canadian broker distribution channel and through our specialty MGA, FCC.

Distribution Methods

We are evolving our products and services to ensure that we continue to meet customers' changing needs and maximize growth while serving the needs of a broader customer demographic. By leveraging technology, we have made it easier for customers to connect with us in the way they prefer, be it online, on the phone or in person through a broker.

We distribute and market our products through the following distribution channels described below:



Canadian Distribution

Brokers. We offer Intact Insurance and Jevco products through more than 1,500 insurance brokerages across Canada. The broker distribution channel includes our wholly owned subsidiary BrokerLink. Our business success is predicated on continuing to provide competitive rates and products that are best suited for our target customers and to deliver consistently high levels of service to brokers. We provide a technology platform that allows them to easily transact business with us, we train them on our products and we support their growth by promoting our brand and values. In addition, we offer options like the Buy Online tool where consumers can obtain quotes and buy their insurance online with the support of our broker network.

Managing General Agent. FCC, our wholly-owned MGA, is a leader in providing specialized insurance programs to public entities across Canada. It offers coverage placement, risk management consultation, and claims services for municipalities, healthcare, education, community, children's and social service organizations. FCC's business is supported by a panel of insurers including The Guarantee.

Direct-to-Consumers. belairdirect, our primary brand for direct-to-consumer distributed products, has been providing complete home and auto insurance solutions directly to consumers in Ontario and Québec for over 60 years and most recently in British Columbia, Alberta and Atlantic Canada. With belairdirect, consumers have the option of buying coverage over the phone or digitally. belairdirect is one of the most recognized direct-to-consumer insurance brands in its markets.

In the Direct-to-Consumers channel, we also distribute our products to National Bank customers through a white label agreement.

U.S. Distribution
In the U.S., we offer a range of products primarily through approximately 1,400 independent agencies, regional and national brokers, wholesalers and agencies. This differentiated, multi-channel distribution approach provides an attractive mix with retail agents and wholesalers.

Pricing and Underwriting

Our ability to price and underwrite products throughout our business has increased due to our investments in telematics, artificial intelligence and machine learning as well as the establishment of the Intact Data Lab (see "Innovation" section below) to develop algorithms that maximize our data advantage.

Personal Insurance. We believe that pricing and underwriting are inextricably linked. The sophistication of pricing segmentation has a direct influence on the quality of risks that we will assume. Similarly, the sophistication of the risk selection process has a direct impact on the experience that is reflected in our pricing database and hence on our ability to segment and be competitive.

We maintain a detailed proprietary database of our personal insurance business across the provinces and territories of Canada, which allows us to identify trends in the frequency and severity of claims and patterns in segmentation. We believe that the size of this database allows us to have greater insight in the forecasting of expected claims severity and frequency. Our pricing is derived from frequency of claims, severity of claims, expenses associated with writing business, claims administration and settlement costs, and costs of distribution channels through which the business is written.

The selection or underwriting process attempts to quantify the potential risks associated with a customer to determine the eligibility of that customer and the appropriate price that should be charged. This process is highly automated in order to enable brokers, underwriters and agents to apply our underwriting guidelines as consistently as possible. We have developed sophisticated models to identify the relative profitability at the risk or policy level to encourage business with the highest expected profitability.

Commercial Insurance (including specialty lines). As in personal insurance, product pricing in commercial insurance is generally developed to provide for expected claims frequency and severity in the period when the rates will be in effect. Product pricing takes into account the expenses associated with writing business as well as claims administration and settlement expenses.

We have a disciplined approach to underwriting and risk management in commercial and specialty insurance with an emphasis on profitability. We write business in most sectors of economic activity as well as in all lines of insurance with a focus on the small- to medium-size commercial segment. These two segments make up the large majority of our commercial premiums.

In specialty insurance, adequate pricing is a critical component to achieve profitability. We write business to solve the unique needs of particular customers or industry groups and provide distinct products and tailored coverages to a broad customer base across North America. In order to achieve better profitability, we exited from the U.S. Healthcare business effective July 1, 2019 and we continue to leverage our proven analytics and segmentation expertise to take underwriting actions in selected other specialty lines.

Claims Management

Our claims management objective is to provide a claims experience second to none, while controlling claims administration costs and reducing the incidence of fraud. We believe that this can best be achieved by our internal claims staff who are trained to apply our claims management practices, and by our added-value supply chain which is optimized to reduce our claims administration costs. With the acquisition of On Side, we strengthened our repair and restoration services for personal and commercial property claims customers across Canada. As a result, we have deepened our presence in the supply chain to improve customer experience and enhance operational efficiencies.

In 2019, almost all claims presented were handled to completion by our internal claims personnel, without the involvement of an external claims adjuster. We believe this result is the desired effect of consistent application of our claims policies and procedures, as well as lower aggregate claims costs and related claims administration costs.

In Canada, the claims handling process includes receipt of notice of loss, coverage verification, reserving for the ultimate potential loss, investigation of circumstances surrounding the claim, assessment of damages, settlement as appropriate, payment, completing salvage operations and recuperating under subrogation or reinsurance where applicable. The key elements of our management process are our numerous technical training programs and our interim and closed files review process. We have designed systems and processes that ensure ongoing monitoring, measurement and control of all aspects of the claims resolution process from the time we receive the notice of loss to the final claim settlement.

Most of our claims professionals are regionally based. Their role is to manage the day-to-day operations relating to claims. We believe that this allows us to respond to the customer in a timely manner when a claim situation arises. All of our adjusters have authority limits – magnitudes of claims that they are qualified to process – commensurate with the adjusters' respective level of experience. These authority levels are reviewed on a regular basis and adjusted if warranted.

In the U.S. we have dedicated claims managers and adjusters for many of our specialty businesses. These individuals ensure that we have the appropriate level of expertise to handle claims involving complex issues. Within the claims organization, we use various shared services to both more efficiently manage costs and ensure the delivery of superior claims results. These shared services include non-specialty property and casualty insurance claims adjusters, operational and information technology support, subrogation and recovery support, medical and legal bill review, a special investigation unit to detect insurance fraud, and dedicated legal support. Various metrics are collected and reviewed to analyze claims handling results.

Overall, we handle a large number of insurance claims in the normal course of business which are managed by our claims departments. Both our Canadian and U.S. claims departments establish and, where necessary, adjust reserves for claims in partnership with our actuaries, and maintain a paperless claim file system and use an online claims system to record reserves, payments and adjuster activity. The system also helps claim handlers identify recovery potential, estimate property damage, evaluate claims and identify fraud. The claims and reserves are reviewed by our internal and external auditors and our finance departments, with the support of internal and external legal advice, where appropriate. If these claims are derived from insurance policies that are covered by reinsurance treaties, the risk to us is limited to the net retention of the insurance risks and the credit rating of the reinsurer.

Innovation

We are focused on being at the forefront of digital innovation and technological change as it applies to the P&C insurance industry, to continue addressing customer needs and improving our customer experience. Information on the progression of our activities regarding innovation is available in the section entitled *Progression of our strategic initiatives* on page 31 of our 2019 MD&A, which section is incorporated herein by reference.

Intact Data Lab. The Intact Data Lab is focused on data and information strategy, the exploitation of enterprise data, and research and development on new data sources. It will enhance our abilities to use data in risk and pricing, but also enhance our sales and services abilities in the long-term.

In 2019, we expanded our Data Lab by opening an office in Hong Kong. Our intent with this new office is to tap into a new pool of talent and ensure we have access to additional world-class expertise and other top universities in artificial intelligence. We officially started our operations in March 2020.

Artificial Intelligence. Artificial Intelligence (AI) and machine learning have transformational potential for the insurance industry, the economy and consumers. Our strategic partnerships with academia (such as Montreal's IVADO, Laval University and the Vector Institute) and the creation of the Intact Data Lab position us to harness the potential of these emerging technologies now and into the future.

Intact Lab. We also constantly seek to develop innovative and competitive products. We launched the Intact Lab, our centre for digital excellence, in 2015 to accelerate our digital innovation and expand our customer experiences by exploring advanced technology solutions at the service of our various lines of business in addition to partnering with user experience and digital analytics specialists, project managers, front-end developers, research and development teams, and other digital specialists from across the organization. The belairdirect app and the Intact Insurance app are examples of innovative tools developed by the Intact Lab. The apps have been enhanced to now provide customers with a mobile-friendly way of getting insights into their driving habits, accessing their insurance policy documents (including digital pink card proof of insurance) and billing statements, giving them the option to submit auto claims with pictures and accessing the status of their claims in real-time, and contacting their broker or adjuster.

Innovative products. We continue to develop innovative products to address customer needs, such as cyber risk and sharing economy coverage. We also use our venture vehicle to invest in new technology and adjacent businesses to better understand the market environment. We are leveraging our U.S. tailored specialty products and services in Canada with the launch of products for the technology and entertainment sectors. In 2018, we also introduced new management liability products, in the U.S., that deliver a more comprehensive coverage to a broad range of organizations, as well as new cyber security products. Growth initiatives are underway with underwriting desks now serving our cross-border customers.

External Reinsurance

We use reinsurance to help manage our exposure to losses and liabilities arising from the insurance risks that we write in Canada and in the U.S. and to protect our capital resources. See the section entitled *Reinsurance* on page 45 of our 2019 MD&A and Note 14 on pages 44 and 45 of our 2019 Consolidated Financial Statements, which section and Note are incorporated herein by reference.

Risk-Sharing Industry Pools

Information on risk-sharing industry pools to which our Canadian and U.S. insurance subsidiaries are required to participate can be found in section 11.6 of Note 11 on page 40 of our 2019 Consolidated Financial Statements, which section is incorporated herein by reference.

Regulatory Matters

Information on the regulatory capital requirements for our insurance subsidiaries can be found in the section entitled *Capital management* at pages 49 and 50 of our 2019 MD&A and in Note 21 on page 53 of our 2019 Consolidated Financial Statements, which section and Note are incorporated herein by reference. See also the section entitled *Governmental and/or regulatory intervention* at pages 63 and 64 of our 2019 MD&A for a description of the strategic risk with respect to regulatory matters, which section is incorporated herein by reference.

Our insurance subsidiaries are subject to regulation and supervision by the insurance regulatory authorities of the jurisdictions in which they are incorporated and licensed to conduct business. Such regulation and supervision is designed to protect policyholders and creditors rather than investors, and relates to various matters, including rate setting, risk-based capital and solvency standards, restrictions on types of invested assets, the maintenance of adequate reserves for unearned premiums and unpaid claims, the examination of insurance companies by regulatory authorities (including periodic financial and market conduct examinations), the filing of annual and other reports and returns, the licensing of insurers, agents and brokers, limitations on transactions with affiliates, restrictions on shareholder dividends and capital transactions, restrictions on ownership and regulation of the form of insurance contracts and the sale and marketing of insurance products. We believe that our insurance subsidiaries are in material compliance with all applicable regulatory requirements.

Competitive Conditions

Information regarding the Canadian P&C insurance industry and the U.S. specialty insurance industry is provided in the sections entitled *Insurance industry at a glance* and *Outlook* respectively at pages 24, and 29 and 30 of our 2019 MD&A, which sections are incorporated herein by reference. See also the section entitled *Building sustainable competitive advantages* on page 6 of our 2019 MD&A, which section is incorporated herein by reference, for a description of our advantages enabling us to be a leading North American P&C operator.

The Canadian P&C insurance industry and the U.S. specialty insurance industry are both highly competitive, and we believe that they will remain so for the foreseeable future. In each business line, the market is highly fragmented and there are typically numerous industry participants competing. In Canada, our competitors include both foreign and domestic insurers as well as large national insurers, government automobile insurers, smaller local insurers, and mutual and co-operative insurers, while in the U.S. we are competing with most of the large multi-line insurance companies, specialty companies, various local and regional insurers, and new companies formed to enter the insurance markets. In Canada as well as in the U.S., the regional competitive landscape varies slightly from the national picture. With respect to our distribution activities in Canada, the broker industry remains fragmented with continuing opportunities for consolidation and on the MGA side, well over 100 MGAs are operating in the P&C insurance sector serving clients and catering to industries across a wide range of sectors and products. New actors continue to enter the market, including firms utilizing technology as a disruptive force. A discussion of the risk we face with respect to increased competition and disruption can be found in the section entitled *Increased competition and disruption* on page 60 of our 2019 MD&A, which section is incorporated herein by reference.

Cycles and Seasonality

Over the past 20 years, returns in the Canadian P&C insurance industry have fluctuated substantially. We believe that the cyclical nature of the Canadian P&C insurance industry is driven by a number of factors, including capital management, time lags and pricing, industry regulation and, in the case of commercial insurance, a decentralized decision-making process. Information on the cycles and seasonality of our business can be found in the section entitled *Seasonality of the P&C insurance business* on page 87 of our 2019 MD&A, which section is incorporated herein by reference.

We further believe that industry performance is driven by supply, not demand. When capital in the industry is in abundance, companies may underprice business to gain market share rapidly. Inadequate pricing reduces underwriting margins. Ultimately, prices need to rise again to recover losses, repeating the cycle. There can be a time lag of several years between when a policy is priced and when the full cost of a claim is known. In jurisdictions where insurance rates are regulated, rate change approvals can take months due to the complexity of the regulatory process, thereby delaying the reflection of the true claims costs in the premium rates. In commercial insurance, individual underwriters and brokers generally have the ability to negotiate premiums, particularly for large accounts, which can cause delays in the recognition of the true claims costs.

Underwriting performance is also subject to seasonal fluctuations, related primarily to automobile claims patterns and winter driving conditions. Severe winter storms, as well as wind and hail, or rainstorms and flooding such as that experienced during the Alberta flood in June 2013 and other extreme weather conditions leading to events such as the Fort McMurray wildfires in 2016 can affect property insurance results. The entire P&C insurance industry is now facing more unpredictable weather and increasingly severe storms in the context of climate change.

The results of companies in the U.S. P&C insurance industry historically have been cyclical, experiencing periods of severe price competition and less selective underwriting standards (soft markets) followed by periods of relatively high prices and more selective underwriting standards (hard markets).

We believe the demand for insurance is influenced primarily by general economic conditions in the U.S. and the global economy, while the supply of insurance is often directly related to available capacity or the perceived profitability of the business.

Over the past several years, the Company's business in the U.S. has faced increased competition, including as a result of an increased flow of capital into the insurance and reinsurance industry, with both new entrants and existing insurers seeking to gain market share. This has resulted in decreased premium rates and at times less favourable contract terms and conditions.

The adequacy of premium rates is affected mainly by the severity and frequency of claims, which are influenced by many factors, including natural disasters, regulatory measures and court decisions that define and expand the extent of coverage and the effects of economic inflation on the amount of compensation due for injuries or losses. In addition, investment rates of return may impact rate adequacy. These factors can have a significant impact on ultimate profitability because a P&C insurance policy is priced before its costs are known, as premiums are usually determined long before claims are reported. These factors could produce results that would have a negative impact on the Company's operations and financial condition.

Corporate and Other

Corporate and Other is comprised of the following activities, which are managed at the Corporate level: investment management, treasury and capital management and other corporate activities including ventures and internal reinsurance. Information regarding our Corporate and Other activities is available in the section entitled *Corporate and Other* at pages 21 to 23 of our 2019 MD&A, and in the sections entitled *Investments, Capital management and Treasury management* respectively at pages 40 to 42, 46 to 50 and 51 of our 2019 MD&A, which sections are incorporated herein by reference

With respect to investment management, our invested assets portfolio is primarily managed in-house. Our wholly owned subsidiary Intact Investment Management Inc. provides investment management services to our employee pension plans and also to certain third parties. In-house management provides greater flexibility in support of our insurance operations at competitive costs.

With respect to ventures, Intact Ventures Inc. was launched in 2016, for the purpose of investing and/or partnering with companies both in Canada and internationally that are redefining the P&C insurance industry landscape with innovative business models and new technology. More information on Intact Ventures Inc. can be found in the section entitled *Progress on our strategic initiatives* on page 33 of our 2019 MD&A, which section is incorporated herein by reference.

Environmental, Social and Governance Activities

The Company publishes a Social Impact Report (previously named “Public Accountability Statement”) annually, which provides details on the Company’s approach with respect to certain social, environmental and governance related issues and highlights the activities undertaken by it in support of customers, employees, community members and governments. The Social Impact Report also details the Company’s commitments toward our core values, sound corporate governance, social responsibility and environmental sustainability. This document is currently available in the “In the Community” section of the Company’s website at www.intactfc.com.

Information on the Company’s social responsibility activities can also be found in the section entitled *Social impact* at pages 37 and 38 of our 2019 MD&A, which section is incorporated herein by reference.

Risk Factors

The risk factors related to the Company and our activities are described in the section entitled *Risk Management* at pages 53 to 72 of our 2019 MD&A and Notes 10 and 13 at pages 31 to 37 and 41 to 43 of our 2019 Consolidated Financial Statements, which section and Notes are incorporated herein by reference.

Most recently, the coronavirus (COVID-19) pandemic has demonstrated how a local, regional, national or international outbreak or continued spread of a contagious disease, including the COVID-19, Middle East Respiratory Syndrome, Severe Acute Respiratory Syndrome, H1N1 influenza virus, avian flu or any other similar illness, could cause a material adverse effect on the Company's business, financial condition and results as described under *Business interruption risk* at section 25.7 – *Other risk factors that may affect future results* at page 69 of our MD&A.

Description of Capital Structure

Our authorized share capital currently consists of an unlimited number of Common Shares and an unlimited number of Class A Shares. The following summary of share capital is qualified in its entirety by the Company's articles of incorporation, by-laws, and the actual terms and conditions of such shares.

As at March 16, 2020, 143,018,134 Common Shares, 10,000,000 Series 1 Preferred Shares, 8,405,004 Series 3 Preferred Shares, 1,594,996 Series 4 Preferred Shares, 6,000,000 Series 5 Preferred Shares, 6,000,000 Series 6 Preferred Shares, 10,000,000 Series 7 Preferred Shares and 6,000,000 Series 9 Preferred Shares were issued and outstanding. The Company has authorized but not issued the Series 2 Preferred Shares and the Series 8 Preferred Shares.

Common Shares

Holders of Common Shares are entitled to receive dividends as and when declared by our Board of Directors and, unless otherwise provided by legislation, are entitled to one vote per Common Share on all matters to be voted on at all meetings of shareholders. Upon our voluntary or involuntary liquidation, dissolution or winding-up, the holders of Common Shares are entitled to share rateably in the remaining assets available for distribution, after payment of liabilities. The Common Shares are listed on the TSX.

Class A Shares

The Class A Shares are issuable from time to time in one or more series. Our Board of Directors is authorized to fix before issue the number of, the consideration per share of, the designation of, and the provisions attaching to, the Class A Shares of each series, which may include voting rights. The Class A Shares of each series rank equally with the Class A Shares of every other series and rank in priority to the Common Shares with respect to dividends and return of capital in the event of our liquidation, dissolution or winding-up. Each issued series of Class A Shares is listed on the TSX.

In addition to the rights, privileges, restrictions and conditions attaching to the Class A Shares as a class, the Class A Shares of Series 1 to 9 have the following rights, privileges, restrictions and conditions:

- Except for specific situations as provided in the articles of incorporation and by legislation, the holders of the Class A Shares of each series are not entitled to receive notice of or to attend or to vote at any meeting of shareholders of the Company, unless and until the first time at which the Board of Directors has not declared the dividend in full on the Class A Shares of such series.
- In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of assets of the Company for the purpose of winding up its affairs, the holders of the Class A Shares of each series will be entitled to receive $25.00 for each Class A Share held by them plus any dividends declared and unpaid. After payment of those amounts, the holders of Class A Shares of each series are not entitled to share in any further distribution of the property or assets of the Company.
- Any approval to be given by the holders of the Class A Shares of each series may be given by a resolution signed by all holders of such shares outstanding or by a resolution passed at a meeting of the holders at which holders of at least 25% of the outstanding shares are present or represented by proxy and carried by the affirmative vote of not less than 66⅔% of the votes cast by the holders, except that at an adjourned meeting there is no quorum requirement.

Additional information on our Common Shares and Class A Shares can be found in Note 20 at pages 51 and 52 of our 2019 Consolidated Financial Statements, which Note is incorporated herein by reference.

The complete terms and conditions of the Common Shares, of the Class A Shares (as a class), of the Series 1 Preferred Shares, of the Series 2 Preferred Shares, of the Series 3 Preferred Shares, of the Series 4 Preferred Shares, of the Series 5 Preferred Shares, of the Series 6 Preferred Shares, of the Series 7 Preferred Shares, of the Series 8 Preferred Shares and of the Series 9 Preferred Shares are available electronically on SEDAR at www.sedar.com.

Restrictions on Ownership and Transfers of Shares

Insurance Companies Act (Canada)

The *Insurance Companies Act* ("ICA") contains restrictions and requirements relating to the shares of insurance companies incorporated under the ICA.

In general, no person is permitted to acquire shares of an insurance company incorporated under the ICA, or to acquire control of an entity such as the Company that holds any such shares, if the acquisition would cause the person to have a "significant interest" in any class of

shares of the insurance company or to acquire control, including control in fact, directly or through a person controlled by the person, of the company, unless the prior written approval of the Minister of Finance (Canada) is obtained. A person has a significant interest in a class of shares of a federal insurance company where the aggregate of any shares of that class beneficially owned by that person, by an entity controlled by that person and by any person acting jointly or in concert with that person, exceeds 10% of all outstanding shares of that class. The Company owns all of the shares of, and therefore controls, Intact Insurance, Novex Insurance Company, The Nordic Insurance Company of Canada, Trafalgar Insurance Company of Canada and Jevco. Accordingly, an approval would be required under the ICA for a person to acquire more than 50% of the voting securities of, or control in fact over, the Company.

If a person contravenes these ownership restrictions, the person, and any entity controlled by the person, may not exercise any voting rights attached to the shares of the insurance company owned by them. Moreover, the person, and any person controlled by that person, may be required to dispose of all or any portion of those shares or to otherwise cease to control, directly or indirectly, the insurance company.

Additionally, the ICA contains a requirement that an insurance company with equity of two billion dollars or more must have, and continue to have, voting shares that carry at least 35% of the voting rights attached to all of its outstanding voting shares and that are: (a) shares of one or more classes of shares listed or posted for trading on a recognized stock exchange in Canada; and (b) shares none of which is beneficially owned by a person who is a major shareholder of such insurance company or by any entity that is controlled by a person who is a major shareholder of such insurance company in respect of such shares.

Under the ICA, a person is a major shareholder if the aggregate of shares in any class of voting shares beneficially owned by that person and by any entity controlled by that person exceeds 20% of the outstanding shares of that class, or, for a class of non-voting shares, beneficial ownership exceeds 30% of that class.

The insurance subsidiaries of the Company incorporated under the ICA are subject to the public holding requirement described above and Intact Insurance has equity exceeding two billion dollars. However, an exemption order has been obtained for Intact Insurance such that this requirement applies to the Company itself as the ultimate parent company. Such exemption will expire if: (x) in the opinion of the Minister of Finance, the activities of the Company, whether carried on directly or through entities that it controls, are no longer primarily financial; (y) the Company ceases to control Intact Insurance; or (z) if the Company ceases to have voting shares that carry at least 35 % of the voting rights attached to all of its outstanding voting shares that respect conditions (a) and (b) above.

Insurers Act (Québec)

The *Insurers Act* in Québec contains restrictions and requirements relating to the shares of insurance companies regulated under Title III of the *Insurers Act* that is a business corporation (hereafter “Québec regulated insurance company”).

Pursuant to these restrictions, no person is permitted (i) to become the “holder of a significant interest” in a Québec regulated insurance company or (ii) if already the holder of such an interest, but not the holder of control of such Québec regulated insurance company, to become its “holder of control”, unless the prior written approval of the Minister of Finance (Québec) is obtained. A person is a holder of significant interest in a Québec regulated insurance company if it (i) exercises 10% or more of the voting rights attached to the shares issued by the Québec regulated insurance company; or (ii) holds shares issued by the Québec regulated insurance company representing 10% or more of its equity capital, and in the case of a Québec regulated insurance company, “holder of control” means the holder of shares conferring more than 50% of the voting rights or who can otherwise choose the majority of the directors.

The Company owns all the shares of, and therefore is the both the holder of a significant interest and the holder of control of Belair Insurance Company Inc. Accordingly, an approval would be required under the *Insurers Act* for a person to acquire more than 50% of the voting securities, or to be in a position to elect a majority of the directors, of the Company.

If a person contravenes these ownership restrictions, the AMF may order that the voting rights conferred by the shares of the Québec regulated insurance company that were allotted or transferred and registered unlawfully be exercised by an administrator of the property of others appointed by the AMF. The AMF could also revoke or suspend the Québec registered insurance company’s authorization to carry on business or attach conditions or restrictions to such authorization.

U.S. State Laws

The Company’s U.S. business is subject to regulation under certain state insurance holding company acts. These regulations contain reporting requirements relating to capital structure, ownership, financial condition and general business operations. Since the Company is an insurance holding company, the domiciliary states of its insurance subsidiaries impose regulatory application and approval requirements on acquisitions of the Company’s common shares which may be deemed to confer control over those subsidiaries, as that concept is defined under the applicable state laws. Acquisition of 10% of the Company’s common shares may be deemed to confer control under the insurance laws of some jurisdictions, and the approval requirements may therefore apply to such an acquisition.

Debt Securities

As at March 24, 2020[3], the Company had issued unsecured medium-term notes in Series 2 to 8 (the “Notes”). The Notes are not listed on the TSX.

On September 3, 2019, the Company repaid at maturity its Series 1 unsecured medium-term notes. For more information about the redemption of the Series 1 unsecured medium-term notes, please see the Three Year History section of this AIF on page 6.

[3] The Company’s offering of Series 8 Notes was completed on March 24, 2020.

If the Company becomes insolvent or bankrupt, consents to the institution of bankruptcy or insolvency proceedings against it, resolves to wind-up or liquidate, is ordered wound-up or liquidated or a receiver is appointed in respect of a substantial portion of its property, Computershare Trust Company of Canada (the "Trustee") may, in its discretion and shall, upon request of holders of not less than 25% of the principal amount of the affected series of Notes, declare the principal of and interest on all outstanding Notes of the affected series to be immediately due and payable. However, the holders of a majority in principal amount of the affected series of Notes by written notice to the Trustee may, under certain circumstances, instruct the Trustee to waive such event and/or to cancel any such declaration.

The Company also has 2012 U.S. Senior notes (the "Senior Notes"). The Senior Notes are not listed on any exchange and are fully and unconditionally guaranteed as to the payment of principal and interest by the Company.

For information about the Company's Series 2 to 7 notes and Senior Notes, please see Note 19 on page 50 of our 2019 Consolidated Financial Statements, which Note is incorporated herein by reference. The complete terms and conditions of the Company's Notes, including the Series 8 Notes, are available electronically on SEDAR at www.sedar.com.

Shareholder Rights Plan

The Company has had a shareholder rights plan in place since February 9, 2011.

The Amended and Restated Shareholder Rights Plan Agreement dated April 19, 2017 that the Company entered into with Computershare Investor Services Inc. was adopted by the shareholders of the Company at the annual and special meeting of shareholders held on May 3, 2017. On February 4, 2020, the Board of Directors adopted the Amended and Restated Rights Plan without any change. The Amended and Restated Rights Plan will be submitted for reconfirmation at the next Annual and Special Meeting of Shareholders to be held on May 6, 2020. A summary of the Amended and Restated Rights Plan is attached as Schedule A to this AIF. The aforementioned summary is qualified in its entirety by reference to the actual provisions of the Amended and Restated Rights Plan. A copy of the Amended and Restated Rights Plan is available on the SEDAR website at www.sedar.com and upon request, from the Office of the Corporate Secretary of the Company.

Ratings

As is customary, the Company paid fees to DBRS, Moody's, Fitch and A.M. Best to obtain its ratings and expects to pay similar fees in the future. The Company has, or may also have, paid fees over the past two years for certain other services offered by these credit rating agencies in the ordinary course of business.

A credit rating or a stability rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the credit rating organization.

The following table sets out ratings the Company has received for its outstanding securities from approved rating organizations as at March 24, 2020[4].

	Rating, Trend/Outlook and Rank[1] (*Descriptions below)			
Security \ Approved Rating organization	**Dominion Bond Rating Service ("DBRS")**	**Moody's Investors Service, Inc. ("Moody's")**	**Fitch Ratings Inc. ("Fitch")**	**A.M. Best Ratings Services, Inc. ("A.M. Best")**
Unsecured medium-term notes (Series 2 to 8)	A / Stable 3 of 10	Baa1 / Stable 4 of 9	A- / Stable 3 of 11	a- / Stable 3 of 9
Class A Shares (Series 1, 3, 4, 5, 6, 7 and 9)	Pfd-2 / Stable 2 of 6	–	BBB / Stable 4 of 11	bbb / Stable 4 of 9

[1] Rank refers to the relative rank of each rating within the rating organization's overall classification system for each debt and share class.

DBRS Ratings

The DBRS long-term debt rating scale provides an opinion on the risk that an issuer will fail to satisfy its financial obligations in accordance with the terms under which an obligation has been issued. According to DBRS, debt securities rated "A" are of good credit quality and the capacity for the payment of financial obligations is substantial, but of lesser credit quality than the rating "AA".

The DBRS preferred share rating scale is used in the Canadian securities market and gives an indication of the risk that a borrower will not fulfill its full obligations in a timely manner, with respect to both dividend and principal commitments. According to DBRS, preferred shares rated "Pfd-2" are of satisfactory credit quality and the protection of dividends and principal is still substantial, but the earnings, the balance sheet and the coverage ratios are not as strong as "Pfd-1" rated companies.

[4] The Company's offering of Series 8 Notes was completed on March 24, 2020.

For both DBRS long-term debt ratings and DBRS preferred share ratings, a reference to “high” or “low” reflects the relative strength within the rating category. The absence of either a “high” or “low” designation indicates the rating is in the middle of the category.

Moody’s Ratings

Moody’s long-term debt ratings indicate the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honoured as promised. Obligations rated “Baa” are subject to moderate credit risk. They are considered medium grade and as such may possess certain speculative characteristics. The numerical modifier “1” in the “Baa” rating reflects a ranking in the higher end of the “Baa” category, where such numerical modifiers range from 1 in the higher end of the category to 3 at the lower end.

Fitch Ratings

Fitch’s credit ratings are an opinion on the relative ability of an entity to meet financial commitments, such as interest, preferred dividends, repayment of principal, insurance claims or counterparty obligations. According to Fitch, debt securities rated “A” denote expectations of low credit risk. The capacity for payment of financial commitments is considered strong. This capacity may, nevertheless, be more vulnerable to adverse business or economic conditions than is the case for higher ratings.

According to Fitch, preferred shares rated “BBB” indicate that expectations of credit risk are currently low. The capacity for payment of financial commitments is considered adequate but adverse business or economic conditions are more likely to impair this capacity.

The modifiers “+” or “-” may be appended to a rating to denote relative status within the major rating category.

A.M. Best Ratings

A.M. Best’s ratings provide an opinion of an entity’s ability to meet the ongoing financial obligations to security holders when due. According to A.M. Best, issues rated “a” denote an excellent ability to meet the terms of the obligation.

According to A.M. Best, issues rated “bbb” denote a good ability to meet the terms of the obligation; however, the issue is more susceptible to changes in economic or other conditions.

A.M. Best’s Long Term Issuer Credit Rating categories from “aa” to “ccc” include rating notches to reflect a gradation within the category to indicate whether credit quality is near the top or bottom of a particular rating category. Rating notches are expressed with a “+” or “-”.

Additional information about ratings and the risk of credit downgrade is provided in the sections entitled *Ratings* and *Credit downgrade risk* respectively on pages 48 and 69 of our 2019 MD&A, which sections are incorporated herein by reference.

Dividends

As a holding company with no direct operations, we rely on cash dividends and other permitted payments from our subsidiaries and our own cash balances to pay dividends to our shareholders. The amount of dividends payable by our subsidiaries may be limited by applicable corporate and insurance law restrictions. Please see the section entitled *Limit on dividend and capital distribution risk* on page 69 of our 2019 MD&A, which section is incorporated herein by reference, for more details.

The following table sets forth the dividends paid per share on the Common Shares and the Class A Shares in each of the three most recently completed fiscal years and the dividends declared to date in the current fiscal year:

	Dividend amount per share			
Type of Shares	**2017**	**2018**	**2019**	**2020**
Common Shares	$ 2.56	$ 2.80	$ 3.04	$ 0.83
Series 1 Preferred Shares	$ 1.05	$ 0.849	$ 0.849	$ 0.21225
Series 3 Preferred Shares	$ 0.833	$ 0.833	$ 0.833	$ 0.20825
Series 4 Preferred Shares	$0.806385	$0.9687475	$1.08495	$0.2680275
Series 5 Preferred Shares[1]	$ 0.78445	$ 1.30	$ 1.30	$ 0.325
Series 6 Preferred Shares[2]	$ 0.49007	$ 1.325	$ 1.325	$ 0.33125
Series 7 Preferred Shares[3]	–	$ 0.72245	$ 1.225	$ 0.30625
Series 9 Preferred Shares[4]	–	–	–	–

1 The Series 5 Preferred Shares were issued on May 16, 2017 and the first dividend paid was on September 29, 2017.
2 The Series 6 Preferred Shares were issued on August 11, 2017 and the first dividend paid was on December 29, 2017.
3 The Series 7 Preferred Shares were issued on May 29, 2018 and the first dividend paid was on September 28, 2018.
4 The Series 9 Preferred Shares were issued on February 18, 2020 and the first dividend will be paid on June 30, 2020.

The 2017, 2018 and 2019 dividends on the Common Shares and the Class A Shares were paid quarterly in March, June, September and December. Additional information on the payment of dividends by the Company can be found on our website at www.intactfc.com in the Investors section.

Common Share dividend increases

The payment of dividends on Common Shares is subject to the discretion of our Board of Directors and depends on, among other things, our financial condition, general business conditions, restrictions regarding the payment of dividends to us by our subsidiaries and other factors that our Board of Directors may in the future consider to be relevant.

The most recent decision to increase the dividend on Common Shares announced on February 4, 2020 reflects the Company's objective of returning value to shareholders, the strength of the Company's financial position and its confidence in its ongoing operating earnings and capital generation. The Company has now increased its dividend on Common Shares for the 15th consecutive year. For more information on the previous dividend increases, see the section entitled *Increase common shareholder dividends* on page 49 of our 2019 MD&A, which section is incorporated herein by reference.

Market for Securities

As at March 16, 2020, the symbol and closing sale price on the TSX of our Common Shares, Series 1 Preferred Shares, Series 3 Preferred Shares, Series 4 Preferred Shares, Series 5 Preferred Shares, Series 6 Preferred Shares, Series 7 Preferred Shares and Series 9 Preferred Shares are set forth in the following table:

		Preferred Shares						
	Common shares	Series 1	Series 3	Series 4	Series 5	Series 6	Series 7	Series 9
Symbol	IFC	IFC.PR.A	IFC.PR.C	IFC.PR.D	IFC.PR.E	IFC.PR.F	IFC.PR.G	IFC.PR.I
Closing sale price (per share)	$120.49	$ 8.80	$ 10.61	$ 10.88	$ 20.25	$ 19.01	$ 12.20	$ 20.50

Trading Price and Volume

The volume of trading and the price ranges of the Common Shares, the Series 1 Preferred Shares, the Series 3 Preferred Shares, the Series 4 Preferred Shares, the Series 5 Preferred Shares, the Series 6 Preferred Shares, the Series 7 Preferred Shares and the Series 9 Preferred Shares for the periods indicated below are set forth in the following table.

		Preferred Shares						
Period	Common shares	Series 1	Series 3	Series 4	Series 5	Series 6	Series 7	Series 9
2020								
March[5]								
- High Price	$ 125.46	$ 9.90	$ 12.00	$ 13.05	$ 21.25	$ 21.29	$ 13.85	$ 22.00
- Low Price	$ 112.00	$ 8.31	$ 10.61	$ 10.88	$ 20.25	$ 19,01	$ 11.00	$ 20.50
- Volume	687,501	6,450	3,800	2,300	1,900	5,600	19,810	6,799
February								
- High Price	$ 155.48	$ 14.79	$ 18.60	$ 19.68	$ 24.81	$ 25.17	$ 19.42	$ 25.32
- Low Price	$ 140.86	$ 13.30	$ 16.52	$ 17.00	$ 24.24	$ 24.49	$ 18.00	$ 24.75
- Volume	5,730,082	83,405	70,917	18,883	166,288	69,705	176,672	1,210,367
January								
- High Price	$ 146.46	$ 15.54	$ 18.95	$ 19.01	$ 24.76	$ 24.99	$ 19.76	–
- Low Price	$ 140.19	$ 14.39	$ 17.65	$ 18.00	$ 24.14	$ 24.44	$ 18.64	–
- Volume	4,874,649	101,835	138,747	22,090	97,030	48,327	240,670	–
2019								
December								
- High Price	$ 140.96	$ 14.81	$ 18.04	$ 18.30	$ 24.60	$ 24.85	$ 19.01	–
- Low Price	$ 134.42	$ 13.85	$ 17.07	$ 17.03	$ 24.00	$ 24.25	$ 17.91	–
- Volume	5,491,982	292,397	301,139	55,064	77,694	40,956	378,552	–
November								
- High Price	$ 139.99	$ 15.04	$ 17.93	$ 17.99	$ 24.75	$ 24.88	$ 18.99	–
- Low Price	$ 132.72	$ 13.70	$ 17.40	$ 17.29	$ 24.03	$ 24.37	$ 18.12	–
- Volume	6,142,857	136,057	128,175	12,130	55,669	62,573	358,985	–
October								
- High Price	$ 137.76	$ 14.99	$ 17.95	$ 18.34	$ 24.29	$ 24.43	$ 19.12	–
- Low Price	$ 131.64	$ 13.30	$ 16.65	$ 16.80	$ 23.96	$ 24.04	$ 18.20	–
- Volume	4,746,052	217,400	269,872	20,280	25,581	85,869	275,115	–
September								
- High Price	$ 134.68	$ 14.83	$ 18.10	$ 18.30	$ 24.18	$ 24.30	$ 19.50	–
- Low Price	$ 128.18	$ 13.65	$ 16.30	$ 16.79	$ 23.50	$ 23.85	$ 18.15	–
- Volume	3,987,084	177,031	103,221	15,560	16,895	45,571	185,968	–
August								
- High Price	$ 130.58	$ 15.39	$ 18.70	$ 18.84	$ 24.24	$ 25.00	$ 20.39	–
- Low Price	$ 120.27	$ 13.50	$ 16.50	$ 17.05	$ 23.24	$ 23.76	$ 17.91	–
- Volume	6,273,275	299,397	106,702	9,985	105,296	37,553	141,313	–
July								
- High Price	$ 127.27	$ 16.38	$ 18.74	$ 18.96	$ 24.20	$ 24.84	$ 20.77	–
- Low Price	$ 118.75	$ 14.90	$ 17.71	$ 18.40	$ 23.65	$ 24.00	$ 19.73	–
- Volume	5,757,390	122,225	85,965	13,014	73,524	41,274	173,579	–
June								
- High Price	$ 124.32	$ 15.31	$ 19.00	$ 19.75	$ 24.15	$ 24.35	$ 21.05	–
- Low Price	$ 115.56	$ 14.30	$ 17.79	$ 18.75	$ 23.50	$ 23.79	$ 19.40	–
- Volume	5,520,157	170,054	75,395	9,665	143,950	49,971	139,632	–

[5] Up to and including March 16, 2020

Period	Common shares	Preferred Shares						
		Series 1	Series 3	Series 4	Series 5	Series 6	Series 7	Series 9
May								
- High Price	$ 119.40	$ 15.80	$ 18.60	$ 18.90	$ 24.44	$ 24.73	$ 20.92	–
- Low Price	$ 107.55	$ 14.60	$ 17.72	$ 18.31	$ 23.57	$ 23.96	$ 20.00	–
- Volume	6,518,354	152,550	104,663	17,410	45,354	70,900	196,819	–
April								
- High Price	$ 113.47	$ 16.66	$ 19.52	$ 19.55	$ 24.41	$ 24.54	$ 21.66	–
- Low Price	$ 107.00	$ 15.61	$ 18.64	$ 19.00	$ 23.73	$ 24.16	$ 20.11	–
- Volume	5,239,546	127,833	101,898	8,120	36,326	66,264	350,862	–
March								
- High Price	$ 114.13	$ 17.20	$ 19.79	$ 20.51	$ 24.25	$ 24.38	$ 21.89	–
- Low Price	$ 107.80	$ 16.00	$ 18.80	$ 18.44	$ 23.35	$ 23.36	$ 21.00	–
- Volume	5,130,044	73,198	291,536	8,170	93,093	119,537	101,984	–
February								
- High Price	$ 113.40	$ 16.50	$ 19.85	$ 21.33	$ 23.65	$ 24.13	$ 21.65	–
- Low Price	$ 103.41	$ 15.61	$ 18.61	$ 20.20	$ 22.74	$ 22.71	$ 20.42	–
- Volume	5,845,999	194,774	193,654	6,530	40,983	59,442	255,158	–
January								
- High Price	$ 103.93	$ 17.44	$ 19.75	$ 21.63	$ 23.51	$ 23.99	$ 22.26	–
- Low Price	$ 96.37	$ 15.80	$ 18.51	$ 19.74	$ 21.61	$ 22.24	$ 20.29	–
- Volume	4,952,903	78,006	269,429	7,950	106,250	35,788	308,748	–

Directors and Executive Officers

The following tables set out, for each of our directors and executive officers, their name, municipality of residence, respective position and office held within the Company, principal occupation and, if a director, the date on which the person became a director.

Directors of the Company

Each of the directors of the Company in the table below will serve until the Meeting. They will all be standing for re-election at the Meeting, except for Eileen Mercier.

Name and residence	Position with the Company	Principal occupation during five preceding years	Director of the Company or predecessors since
Claude Dussault Québec, Canada	Independent Director and Chair	President, ACVA Investing Corporation (a private investment company)	March 28, 2000
Charles Brindamour Ontario, Canada	Director and Chief Executive Officer	Chief Executive Officer, Intact Financial Corporation	January 1, 2008
Janet De Silva(2), (3) Ontario, Canada	Independent Director	President and CEO, Toronto Region Board of Trade (a chamber of commerce)	May 8, 2013
Jane Kinney(1), (4) Ontario, Canada	Independent Director	Corporate Director Partner and Vice Chair, Deloitte LLP (1994–2019)	May 8, 2019
Robert G. Leary(1), (4) Florida, USA	Independent Director	Corporate Director Global CEO, Olayan Group (an international investor and diverse commercial and industrial group with global operations) (2017–2019) CEO, Nuveen (formerly TIAA Global Asset Management) (2013–2017)	May 6, 2015
Eileen Mercier(1), (4) Ontario, Canada	Independent Director	Corporate Director and Chair, Payments Canada (organization responsible for Canada's national payments systems)	December 14, 2004
Sylvie Paquette(1), (4) Québec, Canada	Independent Director	Corporate Director President and COO, Desjardins General Insurance Group (2008–2016)	May 3, 2017
Timothy H. Penner(2), (3) Ontario, Canada	Independent Director	Corporate Director	May 5, 2010
Frederick Singer(2), (4) Virginia, USA	Independent Director	Chief Executive Officer, Echo360 (a company providing an educational software platform in many countries)	May 8, 2013
Stephen G. Snyder(1), (3) Alberta, Canada	Independent Director	Corporate Director	May 13, 2009
Carol Stephenson(2), (3) Ontario, Canada	Independent Director	Corporate Director	December 14, 2004
William L. Young(2), (3) Massachusetts, USA	Independent Director	Corporate Director and Chair, Magna International (a vehicle technology and manufacturing company) Partner at Monitor Clipper Partners (a private equity firm) (1998–2018)	May 9, 2018

Notes
(1) Denotes member of the Audit Committee
(2) Denotes member of the Compliance Review and Corporate Governance Committee
(3) Denotes member of the Human Resources and Compensation Committee
(4) Denotes member of the Risk Management Committee

Executive Officers of the Company

Each executive officer listed, other than the Chief Executive Officer whose details are provided in the table above, held the indicated position with the Company as at March 1, 2020 and has held the principal occupation indicated during the past five years, except as otherwise indicated hereunder.

Name and Residence	Position with the Company	Principal occupation during five preceding years (within the Company unless otherwise stated)
Patrick Barbeau Québec, Canada	Senior Vice President, Claims	Senior Vice President, Claims (2016–present) Senior Vice President, Personal Lines (2013–2016)
Frédéric Cotnoir Québec, Canada	Senior Vice President, Corporate and Legal Services and Secretary	Senior Vice President, Corporate and Legal Services and Secretary (2016–present) Partner, McCarthy Tétrault LLP (2009–2016)
Debbie Coull-Cicchini Ontario, Canada	Executive Vice President, Intact Insurance (excl. Québec)	Executive Vice President, Intact Insurance Company (excl. Québec) (2018–present) Senior Vice President, Ontario (2005–2017)
Monika Federau Ontario, Canada	Senior Vice President and Chief Strategy Officer	Senior Vice President and Chief Strategy Officer (2013–March 20, 2020)
Anne Fortin Québec, Canada	Senior Vice President, Direct Distribution and Chief Marketing Officer	Senior Vice President, Direct Distribution and Chief Marketing Officer (2019–present) Senior Vice President, Direct Distribution (2018–2019) Senior Vice President, Sales and Marketing, Direct to Consumer Distribution (2016–2018) Senior Vice President, Marketing and Strategic Relationships, Direct to Consumer Distribution (2013–2016)
Louis Gagnon Ontario, Canada	President, Canadian Operations	President, Canadian Operations (2018–present) President, Service and Distribution (2014–2018)
Isabelle Girard Québec, Canada	Senior Vice President, Personal Lines	Senior Vice President, Personal Lines (2020–present) Vice President, Actuarial, Personal Lines (2017–2019) Vice President, Finance, Intact Insurance, Québec (2016–2017) Director Corporate Underwriting Commercial Lines, Intact Insurance, Québec (2013–2016)
Darren Godfrey Alberta, Canada	Senior Vice President, Commercial Lines	Senior Vice President, Commercial Lines, Intact Insurance (2020–present) Senior Vice President, Personal Lines, Intact Insurance (2016–2019) Regional Vice President, Calgary (2015–2016)
Mathieu Lamy Ontario, Canada	Executive Vice President and Chief Operating Officer	Executive Vice President and Chief Operating Officer (2018–present) Senior Vice President and Chief Information Officer (2016–2018) Senior Vice President, Claims (2011–2016)
Louis Marcotte Québec, Canada	Senior Vice President and Chief Financial Officer	Senior Vice President and Chief Financial Officer (2013–present)
Lucie Martel Québec, Canada	Senior Vice President and Chief Human Resources Officer	Senior Vice President and Chief Human Resources Officer (2011–present)
Timothy Michael Miller Minnesota, USA	President, US and Specialty Solutions	President, US and Specialty Solutions (OneBeacon) (2017–present) President and Chief Executive Officer, OneBeacon Insurance Group (2005–2017)
Benoit Morissette Ontario, Canada	Senior Vice President and Group Chief Actuary	Senior Vice President and Group Chief Actuary (2018–present) Senior Vice President and Chief Risk Officer (2016–2018)
Werner Muehlemann Québec, Canada	Senior Vice President and Managing Director, Intact Investment Management Inc.	Senior Vice President and Managing Director, Intact Investment Management Inc. (2014–present)
Peter Weightman Ontario, Canada	Senior Vice President and Chief Underwriting Officer, Specialty Solutions, North America	Senior Vice President and Chief Underwriting Officer, Specialty Solutions, North America (2020–present) Senior Vice President, Specialty Solutions and Surety (Canada) (2018–2019) President, BrokerLink (2010–2017)

Committees of the Board of Directors

Our Board of Directors has established four committees to which it delegates some of its functions: the Audit Committee, the Compliance Review and Corporate Governance Committee, the Human Resources and Compensation Committee, and the Risk Management Committee. They, along with the Board of Directors and the boards of directors of our P&C insurance subsidiaries, ensure that the composition of the committees meet applicable statutory independence requirements as well as any other applicable legal and regulatory requirements.

Information on the Audit Committee

The Audit Committee is composed of Eileen Mercier as Chair, Jane E. Kinney, Robert G. Leary, Sylvie Paquette and Stephen G. Snyder, each of whom is independent and financially literate. The education and experience of each member is described as part of their respective biographies attached as Schedule B to this AIF.

It assists the Board in its oversight of the integrity, fairness and completeness of the Company's financial statements and financial information; the accounting and financial reporting process; the qualifications, performance and independence of the external auditors; the performance of the internal audit function; the quality and integrity of internal controls, and; the actuarial practices of the Company. It has also been designated by each of the U.S. P&C insurance companies as its audit committee. The full Mandate of the Audit Committee is attached as Schedule C to this AIF.

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 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 2018 and 2019 are as follows.

External Auditor Service Fees

(in thousands of dollars)	2019	2018
Audit fees(1)	4,360	3,694
Audit-related fees(2)	372	398
Tax fees(3)	147	789
All other fees	–	4
Total	**4,879**	**4,885**

(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. Audit fees for 2019 included those related to the audit of On Side acquired in October 2019 and The Guarantee and FCC acquired in December 2019.
(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.

Other Committees

Our Board of Directors has also established other committees composed of members of senior management that report to our Board of Directors or one of its committees. Additional information about these committees is provided in the section entitled *Risk management structure* on pages 53 and 54 of our 2019 MD&A, which sections are incorporated herein by reference.

Shareholdings of Directors and Executive Officers

To the knowledge of the Company, as at March 16, 2020, our directors and executive officers as a group, beneficially owned, directly or indirectly, or exercised control or direction over 609,130 of the outstanding Common Shares, representing 0.43% of the total number of Common Shares of the Company issued and outstanding at that date.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, no director or executive officer of the Company, is, or has been in the last ten years, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order or similar order or an order that denied the issuer access to any exemptions under Canadian securities legislation, for a period of more than 30 consecutive days, (a) while that person was acting as a director, chief executive officer or chief financial officer or (b) after that person ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting as a director, chief executive officer or chief financial officer.

Further, to the knowledge of the Company, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company is, or has been within the last ten years, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person 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, a director of the Company, served as a director of Pharmetics Inc., a private company, until he resigned in connection with its sale in September 2017. Approximatively 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).

To the knowledge of the Company, no director or executive officer of the Company, or shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company has, within the last ten years, become 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 their assets.

Conflicts of Interest

To the knowledge of the Company, no director or executive officer of the Company has an existing or potential material conflict of interest with the Company or any of its subsidiaries.

Legal Proceedings and Regulatory Actions

In the normal course of carrying on our business, we become the subject of claims and are involved in various legal proceedings, including lawsuits, regulatory examinations, investigations, audits and reassessments by various parties including customers, suppliers, and government or regulatory agencies and authorities. We are not currently involved in any material legal proceedings, nor are we aware of any pending or threatened proceedings or claims for damages, where we believe the amount would exceed 10% of the current assets of the Company or would have a material adverse effect upon our financial condition or results of operations. We believe we have established adequate reserves in respect of legal proceedings to which we are a party. A discussion on the risk we face with respect to legal proceedings and regulatory actions can be found in the section entitled *Legal risk* on page 68 of our 2019 MD&A, which section is incorporated herein by reference.

Interest of Management and Others in Material Transactions

To the knowledge of the Company, no director or officer of the Company, no subsidiary, no insider, no nominee for election as director, no shareholder holding more than 10% of the voting shares of the Company had any interest in transactions within the three most recently completed financial years or during the current financial year that has or could reasonably have a material effect on the Company or on any of its subsidiaries.

Transfer Agent and Registrar

The transfer agent and registrar for all existing classes of securities of the Company (Common Shares, Class A Shares and medium-term notes) is Computershare Investor Services Inc., at its offices in Vancouver, Calgary, Winnipeg, Toronto, Montréal and Halifax.

Material Contracts

Except for the following and for the contracts described in the section "Three Years History" above, there are no contracts, other than contracts entered into in the ordinary course of business, that are material to the Company and that were entered into in the most recently completed financial year, or before the most recently completed financial year but that are still in effect:

The Company entered into a trust indenture dated May 21, 2009 (as amended, the "Trust Indenture") with Computershare Trust Company of Canada ("Computershare") setting out the terms of unsecured indebtedness that may be issued by the Company. The aggregate principal amount of unsecured indebtedness that may be authorized, issued and certified under the Trust Indenture is unlimited.

The Company entered into a second supplemental trust indenture to the Trust Indenture dated November 23, 2009 with Computershare providing for the issue of up to $250,000,000 principal amount of Series 2 Notes and setting out their terms.

The Company entered into a third supplemental trust indenture to the Trust Indenture dated July 8, 2011 with Computershare providing for the issue of up to $200,000,000 principal amount of Series 3 Notes and setting out their terms.

The Company entered into a fourth supplemental trust indenture to the Trust Indenture dated August 18, 2011 with Computershare providing for the issue of up to $400,000,000 principal amount of Series 4 Notes and setting out their terms.

The Company entered into a fifth supplemental trust indenture to the Trust Indenture dated June 15, 2012 with Computershare providing for the issue of up to $250,000,000 principal amount of Series 5 Notes and setting out their terms.

The Company entered into a sixth supplemental trust indenture to the Trust Indenture dated March 1, 2016 with Computershare providing for the issue of up to $250,000,000 principal amount of Series 6 Notes and setting out their terms.

The Company entered into a seventh supplemental trust indenture to the Trust Indenture dated June 7, 2017 with Computershare providing for the issue of up to $425,000,000 principal amount of Series 7 Notes and setting out their terms.

The Company entered into an Amended and Restated Credit Agreement dated as of November 26, 2019 with a major financial institution as administrative agent and a syndicate of lenders to (i) provide a revolving credit facility in the amount of $750,000,000 which may be increased up to $1,250,000,000 as provided therein; (ii) include OneBeacon U.S. Holdings, Inc.[6], OneBeacon Services, LLC[6] and OneBeacon U.S. Financial Services, Inc.[6], as US borrowers; (iii) include certain subsidiaries of the Company as material subsidiaries as provided therein; and extend the term of such agreement to November 26, 2024.

The Company also entered, as Guarantor, into a Credit Agreement dated as of November 26, 2019 with Intact U.S. Financial Services Inc.[6] as borrower and a major financial institution as administrative agent and a syndicate of lenders to provide a 18-month non-revolving term loan in the amount of U.S.$200,000,000 as provided therein to Intact U.S. Financial Services Inc.

The Company entered into an eighth supplemental trust indenture to the Trust Indenture dated March 24, 2020 with Computershare providing for the issue of up to $300,000,000 principal amount of Series 8 Notes and setting out their terms.

Copies of these documents are available on SEDAR at www.sedar.com.

[6] OneBeacon U.S. Holdings, Inc. was renamed Intact U.S. Holdings Inc., OneBeacon Services, LLC was renamed Intact Services USA LLC and OneBeacon U.S. Financial Services, Inc. was renamed Intact U.S. Financial Services Inc. effective February 18, 2020.

Interests of Experts

EY is the External Auditor of the Company. The Company's consolidated financial statements as at December 31, 2018 and December 31, 2019 have been filed under National Instrument 51-102 – *Continuous Disclosure Obligations* in reliance on the report from EY, independent Chartered Professional Accountants, given on their authority as experts in auditing and accounting.

EY has confirmed to the Company that it is independent within the meaning of the Code of Ethics of Chartered Professional Accountants of the *Ordre des comptables professionnels agréés du Québec*. These rules are equivalent or similar to Rules of Professional Conduct applicable to chartered professional accountants in the other provinces of Canada.

Additional Information

Additional information on the Company, including the documents mentioned below, may be obtained from our website at www.intactfc.com and from the SEDAR website at www.sedar.com.

Additional information including the remuneration and indebtedness of directors and executive officers, is contained in the Company's Management Proxy Circular for its most recent annual meeting of shareholders.

Financial information is provided in the Company's 2019 MD&A and 2019 Consolidated Financial Statements, both of which are contained in the 2019 Annual Report.

To obtain a copy of the aforementioned documents as well as this AIF, at no cost, please contact the Investor Relations Department of the Company at 700 University Avenue, Suite 1500, Toronto, Ontario, M5G 0A1, by telephone toll-free within North America at 1-866-778-0774 ((416) 941-5336 outside North America), by fax at (416) 941-0006 or by e-mail at ir@intact.net.

Glossary of Terms

"2019 Consolidated Financial Statements"
means our Consolidated Financial Statements for the year ended December 31, 2019;

"2019 MD&A"
means Management's Discussion and Analysis for the year ended December 31, 2019;

"Acquisition"
means the acquisition of the Guarantee Company of North America and Frank Cowan Company Limited;

"AIF"
means the Company's Annual Information Form dated March 30, 2020, in respect of the financial year ended December 31, 2019;

"Amended and Restated Rights Plan"
means the amended and restated shareholder rights plan approved by the Board of Directors on April 19, 2017;

"AMF"
means the *Autorité des marchés financiers*;

"Audit Committee"
means the Audit Committee of the Board of Directors;

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

"Common Shares"
means the common shares of the Company;

"Company", "we" or "us"
means Intact Financial Corporation;

"Directors"
means members of the Board of Directors of the Company;

"ESG"
means environmental, social and governance;

"External Auditor" or "EY"
means Ernst & Young LLP, the external auditor of the Company;

"FCC"
means Frank Cowan Company Limited;

"Intact Insurance"
means Intact Insurance Company;

"Jevco"
means Jevco Insurance Company;

"MGA"
means managing general agent;

"Meeting"
means the annual and special meeting of shareholders of the Company to be held on May 6, 2020;

"On Side"
means collectively, On Side Developments Ltd. and On Side Restoration;

"P&C"
means property and casualty insurance;

"Series 1 Notes"
means the Series 1 unsecured medium-term notes;

"Series 2 Notes"
means the Series 2 unsecured medium-term notes;

"Series 3 Notes"
means the Series 3 unsecured medium-term notes;

"Series 4 Notes"
means the Series 4 unsecured medium-term notes;

"Series 5 Notes"
means the Series 5 unsecured medium-term notes;

"Series 6 Notes"
means the Series 6 unsecured medium-term notes;

"Series 7 Notes"
means the Series 7 unsecured medium-term notes;

"Series 8 Notes"
means the Series 8 unsecured medium-term notes;

"Series 1 Preferred Shares"
means Non-cumulative Rate Reset Class A Shares Series 1

"Series 2 Preferred Share"
means the Non-cumulative Floating Rate Class A Shares Series 2;

"Series 3 Preferred Shares"
means the Non-cumulative Rate Reset Class A Shares Series 3;

"Series 4 Preferred Shares"
means the Non-cumulative Floating Rate Class A Series 4;

"Series 5 Preferred Shares"
means the Non-cumulative Class A Shares Series 5;

"Series 6 Preferred Shares"
means the Non-cumulative Class A Shares Series 6;

"Series 7 Preferred Shares"
means the Non-cumulative Rate-Reset Class A Shares Series 7;

"Series 8 Preferred Shares"
means the Non-cumulative Floating Rate Class A Shares Series 8;

"Series 9 Preferred Shares"
means the Non-cumulative Class A Shares Series 9;

"The Guarantee"
means The Guarantee Company of North America;

"TSX"
means Toronto Stock Exchange;

Schedule A

Summary of Amended and Restated Rights Plan

Issue of Rights

One right (a "Right") has been issued in respect of each Common Share outstanding immediately following the close of business on February 9, 2011 (the ''Record Time'') and one Right has been and shall be issued in respect of each Common Share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time.

The Rights

Each Right will entitle the holder, subject to the terms and conditions of the Amended and Restated Rights Plan, to purchase additional Common Shares after the Separation Time.

Exercise of Rights

The Rights may not be exercised before the Separation Time.

After the Separation Time and before the Expiration Time, each Right entitles the holder to acquire one Common Share for an exercise price equal to four times the market price of the Common Shares as determined at the Separation Time (subject to certain anti-dilution adjustments).

If a Flip-in Event occurs before the Expiration Time, each Right (other than the Rights held by an Acquiring Person which become null and void on the occurrence of the Flip-in Event) may be exercised to purchase that number of Common Shares having an aggregate market price equal to twice the exercise price for an amount in cash equal to the exercise price (subject to certain anti-dilution adjustments).

Redemption of Rights

All (but not less than all) of the Rights may be redeemed by the Company with the prior approval of the shareholders at any time before a Flip-in Event occurs at a redemption price of $0.00001 per Right (subject to adjustment). In addition, if a Permitted Bid, a Competing Permitted Bid or a bid in respect of which the Board of Directors has waived the operation of the Amended and Restated Rights Plan is completed, the Company will immediately, and without further formality, redeem the Rights at the redemption price.

Waiver

The Board of Directors may, at any time before an acquisition of Common Shares under a take-over bid made by a take-over bid circular to all registered holders of Common Shares that would trigger a Flip-in Event, waive the application of the ''Flip-in'' provisions of the Amended and Restated Rights Plan to the acquisition.

The Board of Directors may, with the prior approval of the shareholders, at any time before any other acquisition of Common Shares that would trigger a Flip-in Event, waive the application of the ''Flip-in'' provisions of the Amended and Restated Rights Plan to the acquisition.

Term of the Amended and Restated Rights Plan

Unless otherwise terminated, the Amended and Restated Rights Plan will expire at the Expiration Time.

Fiduciary Duties of the Board of Directors

The Amended and Restated Rights Plan will not detract from or lessen the duty of the Board of Directors to act honestly and in good faith with a view to the best interests of the Company and its shareholders. The Board of Directors will continue to have the duty and power to take such actions and make such recommendations to the Company's shareholders as are considered appropriate.

Amending Power

If the Amended and Restated Rights Plan is reconfirmed by the shareholders of the Company, all amendments to the Amended and Restated Rights Plan, other than amendments to correct clerical or typographical errors and amendments to maintain the validity of the Amended and Restated Rights Plan as a result of a change of applicable legislation or applicable rules or policies of securities regulatory authorities, must be approved by a majority of the votes cast by shareholders, other than an offeror under a take-over bid or an Acquiring Person (or any associate or affiliate of the offeror or the Acquiring Person or any other person acting jointly or in concert with the offeror or the Acquiring Person). In addition, all amendments to the Amended and Restated Rights Plan require the written concurrence of the Rights Agent and prior written consent of the Toronto Stock Exchange (as applicable).

Definitions

Acquiring Person

Subject to certain exceptions, an Acquiring Person is a person who becomes the Beneficial Owner of 20% or more of the outstanding Common Shares.

Beneficial Owner

A person is a Beneficial Owner of Common Shares if the person (or any associate or affiliate of the person or any other person acting jointly or in concert with the person) legally or beneficially owns Common Shares or has the right to acquire (immediately or within 60 days) Common Shares upon the exercise of any convertible securities or pursuant to any agreement, arrangement or understanding.

A person is not a Beneficial Owner of Common Shares if the person is engaged in the management of mutual funds, investment funds or public assets for others (e.g., a fund manager, trust company, pension fund administrator, trustee or a registered broker or dealer administering non-discretionary client accounts), as long as the person:

(a) holds the Common Shares in the ordinary course of its business for the account of others; and

(b) is not making a take-over bid or acting jointly or in concert with a person who is making a take-over bid.

Separation Time

The Separation Time occurs on the tenth trading day after the earliest of:

(a) the first date of a public announcement that a person has become an Acquiring Person;

(b) the date of the commencement or announcement of the intent of a person to commence a take-over bid, other than a Permitted Bid or Competing Permitted Bid; and

(c) the date on which a take-over bid ceases to be a Permitted Bid or Competing Permitted Bid;

(or, in the case of (b) or (c), such later date as the Board may determine in good faith).

Expiration Time

If the shareholders reconfirm the Amended and Restated Rights Plan, the Expiration Time will occur on the earliest of:

(a) the time at which the right to exercise the Rights terminates in accordance with the Amended and Restated Rights Plan;

(b) immediately after the annual meeting of shareholders to be held in 2023 and every third year thereafter unless the Amended and Restated Rights Plan is reconfirmed at that meeting; and

(c) the tenth anniversary of the date the Amended and Restated Rights Plan was adopted by the Board of Directors.

Flip-in Event

A Flip-in Event occurs when a person becomes an Acquiring Person. Upon the occurrence of a Flip-in Event, any Rights that are legally or beneficially owned by an Acquiring Person, will become null and void. As a result, the Acquiring Person's ownership interest in Intact Financial Corporation will be greatly diluted if a substantial portion of the Rights are exercised after a Flip-in Event occurs.

Permitted Bid

A Permitted Bid is a take-over bid that satisfies the following conditions:

(a) the bid is made to all holders of Common Shares (other than the offeror);

(b) the offeror agrees that no Common Shares will be taken up or paid for under the bid for at least 105 days following the commencement of the bid or such shorter period that a take-over bid must remain open for deposits of securities thereunder pursuant to Canadian securities laws;

(c) the offeror agrees that no Common Shares will be taken up or paid for under the bid unless, at the time of take-up or payment, more than 50% of the outstanding Common Shares held by shareholders, other than the offeror (or any associate or affiliate of the offeror or any other person acting jointly or in concert with the offeror), have been deposited pursuant to the bid and not withdrawn;

(d) the offeror agrees that the Common Shares may be deposited to and withdrawn from the bid at any time before Common Shares are taken up and paid for; and

(e) if, on the date specified for take-up and payment, condition (c) is satisfied, the bid will remain open for an additional period of at least 10 days to permit the remaining shareholders to tender their Common Shares.

Competing Permitted Bid

A Competing Permitted Bid is a take-over bid that satisfies the following conditions:

(a) the bid is made after the commencement and before the expiry of a Permitted Bid or another Competing Permitted Bid;

(b) the bid satisfies all the conditions of a Permitted Bid other than Permitted Bid condition (b); and

(c) the offeror agrees that no Common Shares will be taken up or paid for under the bid before the close of business on a date that is the last day of the minimum initial deposit period that such take-over bid must remain open for deposits of securities thereunder pursuant to Canadian securities laws after the date of the take-over bid constituting the Competing Permitted Bid.

Schedule B

Education and Experience of the Members of the Audit Committee

Eileen Mercier

Ms. Mercier is a professional director and her career encompasses more than 40 years of general management experience in the financial services, communications, integrated oil and forest products sectors. Ms. Mercier retired as the Chair of the Board of the Ontario Teachers' Pension Plan at the end of 2014 and in July 2015 became Chair of the Board of Payments Canada. She is currently a director of the Royal Conservatory of Music. From 1995 to 2003, Ms. Mercier headed her own management consulting firm, Finvoy Management Inc., specializing in financial strategy, restructuring and corporate governance issues. Prior to that time, she was Senior Vice-President and Chief Financial Officer of Abitibi-Price Inc. She holds an MBA from York University and a master's degree in English from the University of Alberta. In 2010, Ms. Mercier received an honorary LLD from York University and in 2013, an honorary LLD from Wilfrid Laurier University. In 2011, she was ranked one of Canada's Top 25 Women of Influence. In 2013, 2015, 2017 and 2018, Ms. Mercier was named to Canada's Top 100 Most Powerful Women in the Accenture Corporate Directors category and was inducted into the WXN Hall of Fame after having won the Top 100 Award for the fourth time in 2018. In October 2016, Ms. Mercier was appointed Chancellor of Wilfrid Laurier University. She is also a Fellow of the Institute of Corporate Directors of Canada and a Fellow of the Institute of Canadian Bankers. Ms. Mercier was appointed a member of Intact Financial Corporation's former Advisory Board in 1999.

Jane E. Kinney

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. She is a recently retired Vice Chair of Deloitte and a former member of its leadership team. Prior to that role, she occupied various positions at Deloitte including that of Canadian Managing Partner, Quality & Risk and of 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 in the evolving areas of Risk Governance and Risk Appetite.

Ms. Kinney is an active member of the community and a member of various boards, including the Perimeter Institute for Theoretical Physics, Women's College Hospital Foundation and Toronto Finance International where she is Chair of the Board. 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 is a board member of Cenovus Energy Inc. She 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. Ms. Kinney has a Math 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.

Robert G. Leary

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 had 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 from marketing to distribution globally, 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.

Sylvie Paquette

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 now sits on the Board of Laval University's Foundation. 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.

Stephen G. Snyder

Mr. Snyder was formerly President and CEO of TransAlta Corporation, a position he held from 1996 until his retirement on January 1, 2012. Previously, he was President & CEO of Noma Industries Ltd., GE Canada Inc. and Camco, Inc. He is Honorary Consul General (Calgary) for the Government of New Zealand. Mr. Snyder was also a member of the Board of TransAlta Corporation until January 1, 2012 and is a past Director of Anaergia Inc., the Canadian Imperial Bank of Commerce and CCEMC. He is the past Chair of the following organizations: the Calgary Stampede Foundation Campaign, Alberta Secretariat for Action on Homelessness, the Calgary Committee to End Homelessness, the Calgary Homeless Foundation, the Canada-Alberta ecoEnergy Carbon Capture & Storage Task Force, the Conference Board of Canada, the Calgary Zoological Society, the Canadian Electrical Association, the United Way Campaign of Calgary and Area, and the Calgary Zoo's "Destination Africa" capital campaign. He was awarded the Alberta Centennial Medal in 2005, the Conference Board of Canada 2008 Honorary Associate Award, the Chamber of Commerce Sherrold Moore Award of Excellence in 2009, the Canadian Energy Person of the Year Award by the Energy Council of Canada in 2010 and was Alberta Oil magazine's CEO of the year for 2011.

Mr. Snyder holds a Bachelor of Science in chemical engineering from Queen's University as well as an MBA from the University of Western Ontario. In addition, he has honorary degrees from the University of Calgary (LLD) and the Southern Alberta Institute of Technology (Bachelor of Applied Technology).

Schedule C

Mandate of the Audit Committee

Intact Financial Corporation and its P&C Insurance Companies (jointly called the "Company")

I. Purpose

The Audit Committee (the "Committee") is a committee of the Board of Directors (the "Board") of the Company, including its pension funds. It assists the Board 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 audit function; (v) the quality and integrity of internal controls and; (vi) actuarial practices of the Company.

The Committee has been designated by each of the Company's wholly-owned U.S. P&C insurance companies listed below (collectively, the "U.S. Insurance Companies")[1] as its audit committee. Unless otherwise indicated, reference to "Company" shall include the U.S. Insurance Companies.

II. Membership

1. Number
The Board will appoint no fewer than three of its members to the Committee on the recommendation of the Compliance Review and Corporate Governance Committee.

2. Composition and Qualifications
The Committee consists of directors who are "independent" as that term is defined from time to time in relevant legislation, and who are non-executives of the Company or its subsidiaries.

All Committee members must be financially literate as that term is defined in applicable legislation. In addition, the composition of the Committee, and qualifications of its members, will comply with such additional requirements as may be imposed by applicable legislation and best practices as determined by the Board.

3. Chair
The Board will appoint the Chair of the Committee annually, to be selected from the members of the Committee. If, in any year, the Board does not make such appointment, the incumbent Chair will continue in office until a successor is appointed. In the event the Chair is not able or willing to act as Chair of the Committee for any reason, the Board may appoint another Chair on an interim or permanent basis. The Chair is bound to act in accordance with his or her mandate and this mandate.

4. Tenure
Each member of the Committee will be appointed annually by the Board and will hold office at the will of the Board or until his or her successor is appointed.

5. Removal and Vacancies
Any member of the Committee may be removed and replaced at any time by the Board and will also automatically cease to be a member of the Committee as soon as such member ceases to be a director. The Board may fill vacancies by appointing members of the Board to the Committee. If and whenever a vacancy exists, the remaining members may exercise all the powers of the Committee as long as a quorum remains in office.

III. Process and Operations

1. Meetings
The Committee meets at least four times per year and otherwise as needed.

The external auditors are entitled to receive notice of, attend and be heard at each meeting of the Committee.

[1] U.S. Insurance Companies: Atlantic Specialty Insurance Company, OBI National Insurance Company, OBI America Insurance Company, Homeland Insurance Company of New York, Homeland Insurance Company of Delaware, OneBeacon Specialty Insurance Company. The Guarantee Company of North America USA was added as of December 2, 2019 as approved by the Board.

The Committee shall also meet periodically with the Risk Management Committee of the Company in furtherance of their respective mandates.

The Chief Financial Officer, the Chief Internal Auditor, the Group Chief Actuary or the Appointed Actuary may call a meeting of the Committee at any time.

2. Private Meeting of the Committee and Private Meetings With Members of Management
Following each meeting, the Committee meets privately without the presence of Management.

Following each regular meeting, the Committee meets in private with the Chief Financial Officer, the Group Chief Actuary, the Appointed Actuary, the Chief Internal Auditor and the external auditors and any other members of management required in respect of this mandate. The Committee may meet members of management in private after each non-regular meeting. The Committee may also meet with any other employees, as it deems appropriate.

3. Quorum
A quorum at any meeting shall be a simple majority of the members of the Committee.

4. Report to the Board
Following each meeting, the Committee reports to the Board on matters reviewed by the Committee.

IV. Mandate: Duties and Responsibilities of the Audit Committee

The Committee is responsible for compliance with financial regulatory requirements and ongoing assessment, monitoring, effectiveness, performance and objectivity of accounting and actuarial practices of the Company to ensure they are appropriate and within the bounds of acceptable practice.

1. Internal Controls and Procedures
The Committee oversees the quality and integrity of the Company's internal controls and procedures, including those of its pension funds. The Committee requires management to design, implement and maintain internal controls and procedures appropriate to the Company and to make periodic reports to the Committee on the status of such controls and procedures. The Committee receives management's reports on such controls and procedures, and it reviews, evaluates and approves them periodically.

The Committee also establishes procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters. It also establishes procedures for the confidential, anonymous submissions by employees of the Company regarding questionable accounting or auditing matters.

2. Chief Internal Auditor and Internal Audit Function
The Committee oversees the internal audit function. It reviews and recommends to the Board for approval, the annual internal audit plan. The Committee ensures that the scope of the internal audit plan is appropriate, risk-based and addresses all the relevant activities over a cycle determined by the Committee with a view towards ensuring sound internal controls, and ensures that the work of internal and external auditors is co-ordinated.

The Committee regularly meets with the Chief Internal Auditor, and with management to discuss the effectiveness of the internal controls and procedures established for the Company. The Committee reviews and discusses the findings and reports of the Chief Internal Auditor.

In addition to the foregoing, the Committee shall be responsible for overseeing the internal audit function within the U.S. Insurance Companies.

3. External Auditors and Other Experts
The external auditors report directly to the Committee. The Committee oversees the work of the external auditors engaged in preparing or issuing an auditor report or related work. The Committee oversees the resolution of disagreements between management and the external auditors regarding financial reporting. The Committee meets with management and external auditors to discuss overall audit results and audit report, annual and quarterly financial statements and related documents, the quality of financial statements and any related concerns.

The Committee reviews and assesses key areas of risk and obtains assurances from the external auditors that the financial statements, including the tax positions implicit therein, fairly present the financial position, the results of operations and the cash flows of the Company, and that estimates and assumptions are reasonable.

The Committee proposes to the Board for recommendation to the shareholders the appointment of the external auditors responsible for preparing and issuing an auditor report or performing other audit or review or attest services provided to the Company.

The Committee is responsible for assessing the skills, resources and independence of the external auditors periodically, including the audit firm's internal policies and practices for quality control and reports to the Board annually regarding the effectiveness of the external auditors.

The Committee establishes criteria for the types of non-audit services the external auditors can and cannot provide and pre-approves all services with fees to be provided to the Company by the external auditors.

The pre-approval function may be delegated to one or more independent members of the Committee. Where such pre-approval function is delegated to a member of the Committee, that member will present such pre-approval at the next scheduled meeting of the Committee.

The Committee reviews and approves the Company's policies for hiring partners, employees and former partners and employees of the Company's present and former external auditors.

The Committee recommends to the Board for approval the compensation of the external auditors.

Notwithstanding the foregoing, the Committee shall be directly responsible for the appointment, compensation and oversight of the work of the external auditors with respect to the U.S. Insurance Companies.

4. Group Chief Actuary and Appointed Actuary
The Committee discusses the adequacy of the Company's reserving and reporting practices with the Group Chief Actuary and/or the Appointed Actuary. At the end of every quarter, actuarial and other policy liabilities and reserves, and any other matters specified at law, are assessed by the Group Chief Actuary and/or the Appointed Actuary in accordance with accepted actuarial practice. Material changes, if any, are reviewed and reported quarterly. The Appointed Actuary presents his reports, at least annually, to the Committee, including in order to discuss the parts of the annual statement and the annual return prepared by the Appointed Actuary and the financial position of the Company in general. The Committee reviews and discusses any relevant peer review of the Appointed Actuary.

5. Financial Statements, Filings, Returns and Disclosures
The Committee is responsible for reviewing the financial performance of all the operations of the Company including its pension funds and in this regard it reviews all the financial statements, and financial and business information publicly issued by the Company and those filed with regulators.

The Committee meets with the internal and the external auditors, the Chief Financial Officer and the Appointed Actuary of the Company to discuss the financial statements and returns and the financial or business information documents mentioned above, and it approves them or recommends them to the Board for approval before their publication.

The Committee also approves the financial statements of the pension funds, after their review with management and after receiving the related external auditor and internal auditor reports.

6. Disclosure Overview
With regards to the Committee's financial disclosure oversight function, the Committee reviews and approves the policies and procedures in place for the review of financial disclosures prior to their public release, as required by applicable legislation.

The Committee also reviews and satisfies itself with the certification process, and reviews the certifications of the CEO and Chief Financial Officer as required by applicable legislation.

In executing its responsibilities, the Committee also oversees the Company's compliance with legal and regulatory requirements related to financial reporting and disclosure.

7. Access to Management and all Oversight Functions
In order to facilitate the Committee's oversight function with respect to the Company's financial reporting and disclosure and internal controls and procedures, the Committee has direct access to all oversight functions and other internal and external experts, and may have private meetings with any of them or any member of management at its discretion.

8. Oversight of the Chief Financial Officer, Chief Internal Auditor, the Group Chief Actuary and Appointed Actuary Functions
The Committee reviews and recommends to the Board for approval the appointment, assessment or termination (if applicable) of the Chief Financial Officer, the Chief Internal Auditor, the Group Chief Actuary and the Appointed Actuary. The Committee periodically reviews and approves the mandate of each of these functions and annually obtains the assurances that each function has the necessary budget, independence and resources to meet its mandate and reports any related issue to the Board before the Board approves the budget and plans of the Company.

In addition to the foregoing, the Committee shall be responsible for granting the person or persons performing the internal audit function for the U.S. Insurance Companies suitable authority and resources to fulfill their responsibilities.

The Committee annually reviews the objectives and assesses the effectiveness of the referred oversight functions and reports to the Board in this regard.

V. Access to Independent Consultants

Regarding audit services, the Committee may retain and terminate, at the Company's expense, such consultants as it deems necessary or advisable to carry out its duties.

Regarding non-audit services, the Committee may retain and terminate, at the Company's expense, consultants, including the external auditors, as it deems necessary or advisable to carry out its duties.

In case of differences of opinion between the members of the Committee or with management relating to the hiring of such consultants, the Board may decide on the issue or delegate the review of such issue to the Compliance Review and Corporate Governance Committee.

VI. Delegation

The Committee may designate a sub-committee or individual(s) to review any matter the Committee can delegate by law.

VII. Self-Assessment

On an annual basis, the Committee evaluates and reviews the assessment reports on the adequacy of the Committee, its Chair and each of its members.

VIII. Committee Mandate

On an annual basis, the Committee reviews this mandate and recommends any changes to the Board.

Approved by the Board of Directors of Intact Financial Corporation and its Canadian P&C Subsidiaries on November 5, 2019, and by the Board of Directors of The Guarantee Company of North America on December 2, 2019.

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