

Living our Values



Approved by the IFC Board of Directors, November 2009

Intact Financial Corporation
and its subsidiaries ("Intact" or the "Company")



Living our Values

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Letter from the President and CEO

Dear Colleagues,

When customers choose to do business with us, they're trusting that we'll treat them with honesty, integrity, openness and fairness, and in compliance with the law. That's why all Intact Financial Corporation employees—and the company as a whole including its directors and officers—need to act with integrity and to demonstrate the highest ethical standards of conduct at all times.

Earlier this year, we adopted our five core values. We then went one step further and reviewed our Code of Conduct. The Board adopted this new document—"Living Our Values" which replaces our previous Code of Conduct and reflects our values and our commitment to excel in all aspects of our business as Intact. In fact, Living Our Values is organized according to our five core values:

- We behave with integrity.
- We respect each other.
- We are customer driven.
- We strive for excellence.
- We are socially responsible.

All employees are expected to be familiar with Living Our Values, its principles and its underlying policies and to follow it at all times, both in letter and in spirit. Think of it as a guide that will help you act in ways that are fair, ethical and legal.

Integrity and ethical behaviour are essential to our reputation and to our success as a customer driven organization that strives to go beyond expectations and deliver an outstanding experience.

Living Our Values is also at the heart of our dealings with our brokers, suppliers, service providers, consultants and other third parties.

We trust each other and we have confidence that each of us will do the right thing.

However, if you ever have questions, concerns, or issues about anything described in Living Our Values, please talk to your manager, your Human Resources representative or the Legal & Compliance department. You can find relevant contact information in the Living Our Values section of our intranet, along with all of the underlying policies referred to in this document.

The principles set out within Living Our Values are the foundation for all behaviour at Intact. It is part of everyone's job responsibility and I urge you to take the time to read it carefully.

Sincerely,

Charles Brindamour
President and CEO
Intact Financial Corporation



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Introduction

This Living Our Values document sets out our commitment to acting with integrity and with the highest of ethical standards. Our values are:

- We behave with integrity.**
- We respect each other.**
- We are customer driven.**
- We strive for excellence.**
- We are socially responsible.**

It only takes one individual to jeopardize our integrity, so our Living Our Values must apply to all of us, whether a director, officer or employee. In fact, anyone who works for Intact, including full time, part time, temporary and contract employees is subject to Living Our Values.

Living Our Values is also at the heart of our dealings with our brokers, suppliers, service providers, consultants and other third parties.

We are accountable to our shareholders and constantly strive to deliver value for them by focusing on our business plans, maintaining our competitive advantage, continuing our strategic asset management and pursuing excellence in our execution.

At Intact, we live our values!



I. We Behave with Integrity

We demonstrate the highest ethical standards of personal conduct.

We behave with honesty, integrity, openness and fairness when dealing with each other, customers, partners and governments.

Behaving with integrity means being honest, ethical, open and fair in our dealings with everyone we interact with, including our customers, brokers, shareholders, suppliers, service providers, consultants, governments, members of the public and each other.

We accept responsibility for and take accountability for our business decisions and actions on both a personal and corporate level.

integrity



I. We Behave with Integrity

“Intact conducts business within a framework of many laws, including corporate, civil and criminal laws.”

Respect for the Law

As a minimum standard, Intact complies with all laws and regulations in the jurisdictions where we do business. All of us are expected to do the same.

Intact conducts business within a framework of many laws, including corporate, civil and criminal laws. Please pay attention to the following laws and regulations that more particularly apply to us.

- **Insurance Laws and Regulations**
In the execution of our jobs, we need to be aware of and respect the relevant laws for our job functions in our province or territory.
- **Insider Trading**
Intact is a public company listed on the Toronto Stock Exchange and we must comply with the laws and regulations that apply to publicly traded companies. For example, any information that could affect our share price has to be disclosed to the public in a timely manner. We all know that buying or selling Intact shares during black-out periods or at anytime based on



insider knowledge that's not available to the public (or tipping off someone who could trade on this knowledge or simply disclosing such confidential information to someone who could repeat it) is against the law.

- **Privacy**
We abide by all privacy legislation as further detailed in Chapter III: “We Are Customer Driven.” Remember, privacy applies to our customers and to any individual, including employees and third parties.



I. We Behave with Integrity



“We have set the benchmark high, to be a leader in our industry today and tomorrow.”

• **Anti-money laundering /Anti-terrorist financing/Competition**

We will abide by all laws and regulations related to money laundering, terrorist financing activities and competition law.

• **Fraud/Criminal Activity**

None of us may commit fraud against the company or anyone we do business with, or any third party, for that matter. For example, we don't bribe, steal, or forge people's signatures.

Ethical Conduct

But more than being compliant with the law, we need to uphold the highest standards of business ethics. And remember...just because something is legal, that doesn't necessarily mean it's ethical.

On a daily basis, we need to consider the implications of our various actions and decisions. What if one of them becomes public knowledge? Are we comfortable that:

- The company wouldn't be embarrassed?
- We wouldn't be personally embarrassed?

- Our family would approve?
- The action is not only legal but fair, honest, transparent and ethical?

We have set the benchmark high, to be a leader in our industry today and tomorrow.

Conflicts of Interest

We all need to avoid any conflict of interest or appearance of a conflict of interest. A "conflict of interest" is a conflict between our obligations as an employee and our own personal interests.

Immediately disclose any potential conflict of interest to the Legal & Compliance department so that an evaluation can be made by a joint Business and Compliance committee. Disclosing the conflict may be all that is necessary in some cases but, in others, conflicts of interest are simply not acceptable. Failure to disclose them at the appropriate time could result in disciplinary measures or legal action.

Some examples of conflicts of interest include:

- Any ownership interest or investment (including loans) in a customer,

broker, supplier, service provider, or competitor (other than nominal amounts of ownership in publicly traded companies).

- Any consulting or employment relationship with a customer, broker, supplier, consultant, service provider or competitor.
- Any business activity that is competitive with Intact.
- Receiving or giving inappropriate gifts or entertainment. We will all make sure to use our common sense and follow the policies and reporting requirements for gifts and entertainment that are posted on our intranet.
- Being in the position of supervising, reviewing or having influence over the job evaluation, pay or benefits of a relative (which include one's spouse, life partner, brother, sister, parents, children, stepchildren and in-laws) or a close personal friend.
- Taking advantage of opportunities or confidential information learned in the course of employment for personal gain or the gain of a third party.
- Working or any other type of activity for any organization that



I. We Behave with Integrity

“We take a disciplined approach to collecting, using, disclosing, maintaining, safeguarding and destroying information...”

competes with or has a business relationship with Intact. This includes serving as a director, trustee, partner, employee, consultant or agent of another organization.

Confidentiality and Non-use of Confidential Information

We take a disciplined approach to collecting, using, disclosing, maintaining, safeguarding and destroying information about our customers, employees, brokers, and other business partners, but also about our own business and all third party information in all of its many forms (e.g., paper or electronic).

Confidential information (whether our information or third party information) should **not** be shared with anyone (including other employees, agents, consultants and other third parties) except where there is a real and legitimate business need for it and where, as applicable, the appropriate informed **consent** has been obtained for the relevant purposes. Intact has put into place the proper procedures to protect such use and transfers of information that

must be followed by all employees and our third party partners.

We keep information confidential not only to protect everyone's privacy and comply with our contractual and legal obligations, but also to protect our proprietary information to maintain our competitive advantage.

Confidential information includes:

- Any information about our customers or prospective customers, their claims or any third party claimants.
- Any information about employees and brokers.
- Lists of clients and distributors (including brokers).
- Our market analysis, business plans and strategy documents.
- Our methodologies, processes, databases, protocols, system applications, etc.
- Product pricing, new products or advertising campaigns in development.
- Projected earnings, actuarial analyses and other financial data.
- Passwords.

- Our confidential projects.
- Corporate investment strategies.
- Information obtained from third parties, such as brokers, suppliers, service providers, consultants or even from companies we may potentially acquire.



I. We Behave with Integrity



“Always use discretion when talking or working at the office and even more so when working outside the office.”

In addition, we should avoid inadvertent disclosure of any confidential information. We never know what someone might overhear during a conversation in a public place, or what another traveller might see if we are reading a document while commuting. Always use discretion when talking or working at the office and even more so when working outside the office.

Even if we are no longer employed with Intact, please remember that each of us still has legal obligations to preserve the security of any confidential information acquired while at Intact and that we do not have the right to use such information for our own personal purposes or to let others use it. This is in addition to our personal ethical obligations.

Use of Company Assets and Funds

We are all on the “honour” system when it comes to using company assets and funds. It may be easier

to take a couple of office supplies home than to go shopping on the weekend. It may be easy to expense a personal lunch with friends on the company card... but it isn't right and we all know it. Company property is for business use only, not personal use.

Use of the Internet, Email and Computer (business and personal use)

Our integrity is always open to scrutiny, even more so in these modern times when we're dealing with others by email, instant messaging, or by posting to social networking sites. We all need to be respectful and use sound judgment before we decide to publish information and make statements about Intact, our customers, colleagues, brokers, other business partners, etc.

Accurate Books and Records

We need to have accurate books and financial records that are presented promptly and fairly and in accordance with generally accepted

accounting principles and legislation. They need to truly reflect our financial situation and the true nature of the transactions. We will not create or participate in the creation of any records that are intended to be misleading or to conceal any improper activities.

Sound Judgment

Living Our Values cannot possibly cover all aspects of ethical conduct. Please use your good judgment and consult with your manager, Human Resources or Legal & Compliance departments when you have concerns, questions or issues.



II. We Respect Each Other

We value the diversity of our people and their dreams.

We foster an environment conducive to personal growth and development and to new opportunities.

We recognize and value the contribution each of us and our teams are making to our success.

Respecting each other is just as important as respecting our customers, brokers and everyone else we do business with. At Intact, we value the diversity of our colleagues and their backgrounds, experiences and hopes for the future. To be successful, we welcome a diversity of ideas, approaches and styles. We treat each other with respect at all times, even if we have different views on matters.

respect



II. We Respect Each Other



“We need positive people who take pleasure in working for Intact and who feel they are valued as human beings.”

Respect in the Workplace

Intact is committed to providing a working environment where each of us feels respected and valued and where each of us can grow and help each other grow as individuals.

Accordingly, any discrimination or harassment in our workplace will not be tolerated.

- Discrimination means treating a person unfairly solely on the basis of a prohibited ground contrary to law and without legal justification.
- Harassment, Bullying and Violent Acts means comments or actions that are unwelcome or should be

known to be unwelcome. It includes intimidating, humiliating, bullying, threatening or engaging in any violent act or other disrespectful or inappropriate conduct, whether of a sexual nature or not. It could include inappropriate jokes, slurs or any other verbal abuse, unwelcome physical conduct, sexual advances, innuendoes, as well as actions or comments resulting in a poisoned work environment.

Not only do such behaviours violate our commitment to respect each other, but in almost all cases they would be illegal under human rights legislation and they would also destroy the morale of the team. We need positive people who take pleasure in working for Intact and who feel they are valued as human beings.

In this light, we also do not spread rumours about our colleagues, clients, competitors or any third party.

Alcohol and Drugs

We are expected to remain alert and not knowingly impair our judgment while on the job. Consuming or being under the influence of alcohol or

illicit drugs while at work is not permitted. Anyone taking prescription or over-the-counter medication must do so responsibly. Alcohol may be permitted at designated Intact events on Intact's premises, if it is approved by a Vice President or higher level officer of the Company.

The expectation is that we will conduct ourselves with dignity and in a manner that's professional and safe both for ourselves and for others—at all times while at work or while representing Intact, or while attending Intact's events. If we choose to drink alcohol, we must do so in moderation.



III. We Are Customer Driven

We listen to customers, understand their needs, offer the best solutions and deliver on our promises.

We make it easy for customers to deal with us.

We go beyond expectations and always deliver an outstanding experience.

At Intact we strive to be customer driven in everything we do. There are no laws or regulations that require us to be customer driven. It's just the way we conduct our business, and a customer driven mindset should be a key part of every decision we make.

customer driven



III. We Are Customer Driven

“When we treat customers the way we would want to be treated and make a difference in their lives, we can be proud of what we do.”

We strive to better understand the needs of each customer and to consistently deliver the best solutions. Being customer driven does not diminish our strengths in the fundamentals of our business, such as being fair to each customer in the premiums we charge and the indemnities we pay. In fact, it will help us to be even stronger in pricing, claims and underwriting, and it will fuel our organic growth. It also helps us recognize the value of our brokers.

When we treat customers the way we would want to be treated and make a difference in their lives, we can be proud of what we do. To put it simply, honest, ethical and open behaviour is an important part of our customer driven culture, and our continued business success depends upon it.

Market Conduct

Our commitment goes beyond the minimum standards of market conduct set out under the law. We inform our customers of their rights and responsibilities, we are equitable and transparent in our sales offerings, we settle claims fairly and

we offer timely, accessible and responsive complaint handling.

Privacy

As part of listening to our customers and understanding their needs, we collect and use their personal information to offer them the best solution. In doing so, we abide by all relevant privacy legislation. This means that we only collect as much information from customers or prospective customers as we need in order to deliver our products and services.

We then protect the security of the information we collect and we only disclose it to those internally or externally who have a legitimate business need for it and where the applicable and informed consent has been obtained from the individual. When personal information is no longer needed, we dispose of it in a secure manner.

The same is true for any personal information we collect about employees, brokers, suppliers, service providers, consultants, shareholders or any third party.



IV. We Strive for Excellence

We are disciplined in our approaches and actions, which is why we excel in all aspects of our business.

We embrace change and the opportunities it creates, encourage innovative thinking and always seek to improve.

We value and reward high performance and success.

We provide high value to our shareholders.

We are the leading property & casualty insurer in Canada. One where excellence is the way to do things; one where we strive to do our best; and one where we excel in all aspects of our business.

excellence



IV. We Strive for Excellence

“We establish demanding goals and we will reach them and exceed them.”

We understand that sustained shareholder value can only be delivered by a disciplined approach in all our actions, by embracing change and seizing the opportunities to become even more competitive in our markets, and by attracting and retaining highly performing employees.

In our search for excellence, we assess our strengths and weaknesses honestly and we focus on where we truly believe that we can be the best.

Discipline

We apply discipline in all our actions. We determine our goals and establish our strategies accordingly; we define terms of execution and then take action decisively. Furthermore, we never lose sight of the context and of the results to allow us to adjust objectives and targets, if necessary, with a view to maximizing the Company's return on its investments.

We are disciplined in the pricing of our products and services, while at the same time remaining fair to our customers in all circumstances, and always Living Our Values.

We are disciplined in the management, protection and use of our assets and resources. This includes protecting our confidential information and our intellectual property. This also includes maintaining excellent relationships with our business partners, particularly our brokers. Our discipline also extends to a rigorous risk assessment of our investments and investment policies and our acquisitions or new business start-ups.

Embracing Changes and Opportunities

We are imaginative and creative and we are not afraid to change. We are open to new concepts and ideas and encourage constructive communication and debate. We are dynamic and we act both individually and as a team with a positive and determined attitude, focusing on attaining goals that have been set.

We are always on the lookout for new opportunities, whether they are in products, services, investments, acquisitions, new ventures or new markets.

We embrace changes and opportunities, not for the sake of change, but with a purpose: to achieve success and outdistance our competitors with a sense of urgency.

We establish demanding goals and we will reach them and exceed them.



IV. We Strive for Excellence



Rewarding People

We are proud to employ high quality people. We expect the highest quality in the execution of our work.

We expect high performance both from individuals and from our teams. We expect best practices to be applied throughout the Company. Each employee is accountable for the quality of his or her work. The higher the performance, the greater the reward.

Shareholder Value

Intact aims at keeping the respect, trust and confidence it has from its various stakeholders. We are accountable to our shareholders and we function on this basis with a view to continuously delivering value in good as well as in poor economic times.

Some examples that help us reach and maintain excellence:

- Development, growth and protection of our trade secrets, copyrights, trademarks, domain names, inventions and all intellectual property.

- Protection and security of our people.
- Protecting our assets, including physical assets, equipment and technology.
- Preserving our confidential information to keep our competitive advantage.
- Having agreements with third parties in writing only.
- Abiding by our values, our ethical principles and our risk management programs in everything we do.

“We expect high performance both from individuals and from our teams.”



V. We Are Socially Responsible

We respect the environment and its finite resources.

We believe in making the communities where we live and work safer, healthier and happier.

We encourage the involvement and citizenship of all our employees.

We believe in being socially responsible. We will contribute to this objective by acting responsibly and being a good corporate citizen.

socially responsible



V. We Are Socially Responsible

Environment

Intact is committed to respecting the environment. Each of us is responsible for taking reasonable care to ensure that our business activities are conducted in an environmentally sound manner.

Health and Safety in the Workplace

Intact aims to provide a safe and healthy work environment for all its employees. This commitment to health and safety involves co-operation and support of every manager and employee. We all have a responsibility to report accidents, potential hazards and other concerns immediately to management or the Facilities Management team in our areas.

Community Involvement

At Intact, we are all encouraged to personally participate in local organizations in our communities. However, when engaged in personal activities outside of work, it is important to make it clear that Intact is not involved in or associated with them. Our personal activities should

not create, or appear to create, a conflict of interest and should not interfere with our job responsibilities at Intact.

Intact respects and supports the right of every individual to participate in the political process. However, be mindful that political involvement is personal and cannot be in any way associated with Intact.

“Intact aims to provide a safe and healthy work environment for all its employees.”



V. We Are Socially Responsible

Political Contributions

The Company's general policy is that any political contribution it makes to a political party, public official, candidate or campaign will be done within prescribed legal limits and as an expression of responsible citizenship, not to gain an improper advantage.

Please note that under applicable laws, any Company contributions and expenditures include the donation of Company funds, the use of Company facilities, including office space and equipment, as well as the donation of the services of Company employees to the campaign committee of a candidate. All political contributions by or on behalf of the Company must be approved by the Head of Government Relations.

We will also comply with all laws and regulations and principles of ethics that apply when offering to provide entertainment, meals, gifts, gratuities and other items of value to any political party, candidate or public official of federal, provincial, or local governments or when accepting such items of value from such individuals.

Media and Public Relations

To help convey a professional image to the public, our Corporate Communications department handles our media relations. If someone from the media asks you about any aspect of our business or the industry in general, you should refrain from commenting and instead refer them to our Corporate Communications team. They are responsible for communicating the official Company's position to the media.

Further, only specifically authorized spokespersons can express the Company's views on local and national issues that affect its operations. No other person is authorized to speak on behalf of the Company.

Please take care not to make personal statements in public that could be interpreted as reflecting the "official" position of Intact.



Conclusion

Living Our Values replaces our previous Code of Conduct.

At Intact, our values are a way of life. The foundation of this document is based on our values. It sets out what we do to grow and achieve success. It sets out what we can expect from each other. It makes us accountable to each other and to our various stakeholders, including our employees, for whom we want to create a collaborative working environment, our brokers, with whom we want to grow, and our shareholders, for whom we want to create value, all based on our high standards of sound market conduct and governance.

integrity
 respect
 customer driven
 excellence
 socially responsible



Appendix

“Your manager or Human Resources representative is a great contact for most matters outlined in this document.”

Process

Renewing our Commitment

Every year, each of us will review and renew our commitment to Living Our Values.

Reporting

We have an immediate responsibility to report in good faith any violations or suspected violations we become aware of to our manager or Human Resources representative or the Legal & Compliance Department.

Anonymous reporting is available through our Whistleblower hotline or through one of our appointed compliance officers as posted on our intranet.

Investigations

Intact cooperates with investigations by regulators, law enforcement and internal investigators. Requests which are outside the normal course of our day-to-day business activities should immediately be referred to Senior Management and the Legal & Compliance Department.

Contacts and Underlying Policies on the Intranet

Your manager or Human Resources representative is a great contact for most matters outlined in this document. However, if you prefer, you should also feel free to contact the Legal & Compliance department. You may also contact CAS (Corporate Audit Services) for fraudulent matters. Please note that relevant contact information can be found on our intranet in the Living Our Values section.

The underlying policies referred to above, or any amendments or additional policies, can also be found in the Living Our Values section on our intranet. These policies provide further guidance in specific areas, such as:

- internet and email;
- computer usage;
- respect in the workplace;
- gifts and entertainment;
- whistleblower;

- corporate disclosure and insider trading;
- personal information;
- information security;
- clean desk;
- money laundering and anti-terrorism financing; and
- intellectual property ownership.

If you need assistance with personal issues, including abuse of alcohol or drugs, or gambling, your Human Resources representative or our employee assistance provider are there for you and may provide confidential counselling (see our HR Links on the intranet).

