NI 51-102

ANNUAL INFORMATION FORM

CO-OPERATORS GENERAL INSURANCE COMPANY

March 21, 2024

CO-OPERATORS GENERAL INSURANCE COMPANY

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PRESENTATION OF INFORMATION

In this Annual Information Form (AIF), "Co-operators General", "we", "us", "our" and "the Company" refers to Co-operators General Insurance Company and its subsidiaries on a consolidated basis, except where otherwise noted. "CGIC" refers to Co-operators General Insurance Company on a non-consolidated basis.

Unless otherwise indicated, all information in this AIF is presented as at and for the year ended December 31, 2023, and amounts are expressed in Canadian dollars. Financial information is prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards). Those sections of the 2023 Management's Discussion & Analysis (MD&A) and the 2023 audited consolidated financial statements referred to in the table of contents are incorporated herein by reference.

Co-operators General is not required to issue a management information circular. Certain information that would normally be included in a management information circular under NI 51-102F5, NI 51-102F6, NI 52-110, and NI 58-101 is included in this document.

This AIF, the 2023 MD&A and the 2023 audited consolidated financial statements for Co-operators General may be found on www.sedarplus.com or can be obtained upon request from the Secretary of Co-operators General, 130 Macdonell Street, Guelph, Ontario N1H 6P8.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This AIF contains forward-looking statements and forward-looking information, including statements regarding the operations, objectives, strategies, financial situation and performance of Co-operators General. These statements, which appear in this AIF (including the documents incorporated by reference herein), generally can be identified by the use of forward-looking words such as "may", "will", "expect", "intend", "estimate", "anticipate", "believe", "plan", "would", "should", "could", "trend", "predict", "likely", "potential" or "continue" or the negative thereof and similar variations. These statements are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking statements or information.

In addition, this AIF may contain forward-looking statements and information attributed to third party industry sources. By its nature, forward-looking information involves numerous assumptions, known and unknown risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and other forward-looking statements will not occur. Such forward-looking statements and information in this AIF speak only as of the date of this AIF.

Forward-looking statements and information in this AIF include, but are not limited to, statements with respect to: our growth expectations, including negative growth; the impact of changes in governmental regulation on our company; possible changes in our expense levels; changes in tax laws; anticipated benefits of acquisitions and dispositions; and the impact of the COVID-19 pandemic on our operations and financial position.

With respect to forward-looking statements and information contained in this AIF, we have made assumptions regarding, among other things: inflation rates in the Canadian and global economies; the Canadian and U.S. housing markets; the Canadian and global capital markets; the strength of the Canadian dollar relative to the U.S. dollar; growth rates including negative growth; employment levels and consumer spending in the Canadian economy; impacts of regulation and tax laws by the Canadian and provincial governments or their agencies, and the occurrence of and response to public health crises and their ongoing impact on our investments, operations and claims. Some of the assumptions we have made are described in the *Outlook, Business Developments and Operating Environment* section in our *MD&A*.

We believe that the expectations reflected in the forward-looking statements and information are reasonable, however, there can be no assurance that such expectations will prove to be correct. We cannot guarantee future results, levels of activity, performance or achievements. Consequently, we make no representation that actual results achieved will be the same in whole or in part as those set out in the forward-looking statements and information. Some of the risks and other factors, some of which are beyond our control, which could cause results to differ materially from those expressed in the forward-looking statements and information contained in this AIF and the documents incorporated by reference herein include, but are not limited to: actual inflation compared to expected inflation; our ability to implement our strategy or operate our business as we currently expect; our ability to accurately assess the risks associated with the insurance policies that we write; unfavourable capital market developments or other factors which may affect our investments; the cyclical nature of the property and casualty insurance industry; our ability to accurately predict future claims frequency; the frequency and severity of weather related events; climate change; government regulations; litigation and regulatory actions; periodic negative publicity regarding the insurance industry; intense competition; our reliance on advisors to sell our products; our ability to successfully pursue our acquisition strategy; actions to be taken in connection with the sale of L'Union Canadienne, Compagnie d'assurances to Roins Financial Services Limited; our participation in the Facility Association (a mandatory pooling arrangement among all industry participants); terrorist attacks and ensuing events; the occurrence of catastrophic events; our ability to accurately predict the ultimate amount of claims related to major or catastrophic events which have not been fully settled; our ability to maintain our financial strength ratings; our ability to alleviate risk through reinsurance; our ability to successfully manage credit risk (including credit risk related to the financial health of reinsurers); our reliance on information technology and telecommunications systems; impacts of new or changing technologies, including those impacting personal transportation; breaches or failure of information system security and privacy, including cyber terrorism; our dependence on key employees; and general economic, financial and political conditions.

Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this AIF are expressly qualified by this cautionary statement. We are not under any duty to update any of the forward-looking statements after the date of this AIF to conform such statements to actual results or to changes in our expectations except as otherwise required by applicable legislation.

CORPORATE STRUCTURE

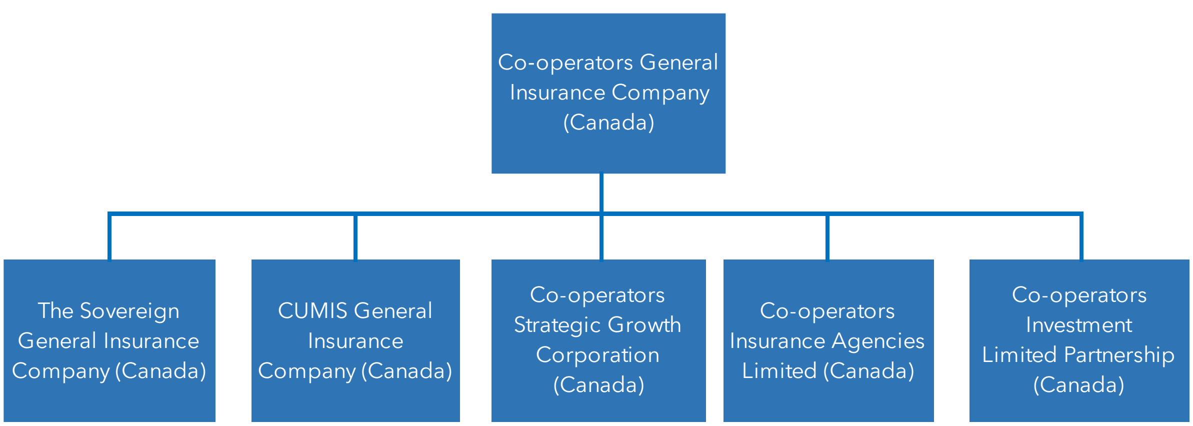
Co-operators General's parent company is Co-operators Financial Services Limited (CFSL), and its ultimate parent company is The Co-operators Group Limited (CGL), a Canadian-owned co-operative with 46 members. Significant associated companies under common control include Co-operators Life Insurance Company (CLIC), Addenda Capital Inc. (Addenda), Federated Agencies Limited, Premier Managers Holdings Corporation (Premier), The Edge Benefits Limited and Smart Employees Benefit Inc. (SEB).

CFSL owns all the voting shares of Co-operators General. CFSL is wholly owned by CGL. "CGL", "Co-operators" and "Co-operators Group" refers to The Co-operators Group Limited. For further details regarding the number of voting shares and rights refer to our *2023 audited consolidated financial statements* in Note 16.

Co-operators General was formed as a result of the amalgamation on February 17, 1983, of two predecessor general insurance companies, Co-operative Fire and Casualty Company and Co-operators Insurance Association. Co-operators General or its predecessors have been carrying on business since 1946. Co-operators General was continued under the Insurance Companies Act (Canada) in 1992. The principal and registered office of Co-operators General is 130 Macdonell Street, Guelph, Ontario N1H 6P8.

The Company and certain of its subsidiaries are licensed to write insurance in all provinces and territories in Canada. With the exception of CUMIS General Insurance Company (CUMIS General), Co-operators General and certain of its subsidiaries are licensed to write all classes of insurance, other than life.

INTERCORPORATE RELATIONSHIPS



Co-operators General holds 100% of the voting rights attached to all the outstanding voting shares or partnership interests of each of its subsidiaries.

DESCRIPTION OF OUR BUSINESS

GENERAL

Co-operators General is a leading private sector P&C insurer in Canada based on direct written premiums. Co-operators General carries on business through CGIC and its insurance subsidiaries, The Sovereign General Insurance Company (Sovereign), and CUMIS General.

Our principal business is to provide automobile, home, farm and commercial insurance products to individuals and commercial clients. Personal lines, consisting of automobile and home policies, represented 71% (2022 – 75%, 2021 - 74%) of direct written premiums in 2023. Automobile policies represented 63% (2022 – 63%, 2021 - 63%) of Co-operators General's personal lines direct written premiums in 2023.

We achieve diversification of insurance risks by insuring a large number of relatively small risks spread across all regions of Canada and in various lines of business.

Our products are distributed through our 2,716 (2022 – 2,808, 2021 – 2,721) licensed insurance representatives throughout Canada. Approximately 50% (2022 – 51%, 2021 – 50%) of our business is written in the province of Ontario. We also distribute automobile and home insurance through employee and association groups, credit unions and personal and commercial insurance through independent brokers.

Co-operators General insures approximately 900,000 (2022 – 888,000, 2021 - 883,000) homes, more than 1.6 million (2022 – 1.5 million, 2021 - 1.5 million) vehicles, 42,000 (2022 – 42,000, 2021 - 42,000) farms and 300,000 (2022 – 279,000, 2021 – 285,000) businesses across all regions of Canada. At December 31, 2023, Co-operators General had 4,680 (2022 – 4,383, 2021 – 4,301) employees.

On January 1, 2023, Co-operators Insurance Agencies Limited (CIAL), which is a fully-owned subsidiary of CGIC, acquired the remaining 50% of the common shares of CU Agencies Alliance Ltd. (CUAAL). Prior to this acquisition, CIAL owned 50% of the common shares and was recognized as a joint venture.

For additional information regarding our business and strategies including, but not limited to, the general development of the business, discussion of competitive conditions, business cycles, risk factors, additional business descriptions and our financial results, refer to our *2023 MD&A and 2023 audited consolidated financial statements*.

CORPORATE DEVELOPMENT

The following are the main business developments in the three years ended:

<u>2023:</u>

2023 marked the first year of our new four-year strategic plan. This year, we made our full transition to an industry-leading cloud-based customer relationship management (CRM) platform, futureproofing the organization with innovative technology that can handle all future demands by bringing streamlined workflows and tailored functionality. With this platform as our new path forward, we are paving the way for innovation, resilience and a better customer experience that will drive operational excellence.

In November 2023 we launched end–to-end quote and buy capabilities for recreational vehicles on our Digital Quote & Buy platform. Co-operators General's recreational vehicle strategy positions us to be the market leader and insurer of choice for ATVs, snowmobiles, and motorcycles, as well as the trailers that transport them. This makes us the first in Canada to bring a suite of recreational vehicle insurance to the digital space nationally.

Duuo by Co-operators develops embedded insurance solutions to meet the needs of our partners and their clients. This year, we launched our first embedded insurance Application Programming Interface (API) for partners, designed for Canadian businesses looking to embed an insurance purchase journey directly into their website, app, or platform. 'Duuo Event Insurance' was the first product launched in this new embedded format.

During the year, the parent company, CFSL, completed the acquisition of SEB and plan to leverage their solutions and relationships to expand opportunities in the marketplace as an underwriter. In parallel, SEB will continue to operate in a stand-alone, carrier, and distribution agnostic manner as it continues its own growth trajectory, providing solutions to large brokerages and other clients directly.

This year, we rolled out several initiatives to support our drive to be a High-Performance Co-operative as we enhance our co-operative advantage to reflect a culture of high-performance. We rolled out our Elevate performance management system, including a new competency model designed to drive the behaviours we will need to deliver on our strategy. We also rolled out to employees access to LinkedIn Learning's complete catalogue of expert-led online courses, learning paths, and certifications.

We have also recently partnered with Prosper Canada, a national charity dedicated to expanding economic opportunity for Canadians living in poverty. We will apply learnings from our collaboration with Prosper Canada to inform our insurance and wealth offerings in a way that best serves low-income and under-served Canadians.

2022:

2022 was the first full year of our new retail brand. For clients, we wanted our brand to reflect their view of Co-operators. For us, it established some new expectations for how we interact with our clients and Canadian communities, and the support we offer them. Since the relaunch of our retail brand, we've seen an 11% increase in Canadians association of the Co-operators with investment products and advice[1], a 27% increase in client leads/quotes on cooperators.ca[2], and 92% of employees feel the rebrand signals a strategic shift in the organization[3].

In the summer of 2022, we rolled out our Digital Quote functionality nationally, making Home and Auto quotes available through cooperators.ca, cooperatorsgroupinsurance.ca, and Online Services. We sold our first auto policy within 48 hours of the launch. Our Digital Buy went live in November of 2022 in Ontario and the Atlantic Region, which provides digital clients with the ability to purchase their policy, set up their Online Services account and expand cross-sell opportunities to their Advisor. The first policy was sold within minutes of launch. Digital Buy is now rolling out across the country.

We launched a new program to support Co-operators General advisors with their commercial small business clients. In addition, Co-operators General launched enhanced cyber-insurance coverage for Business policyholders. Cyber Guard protects business owners for unexpected expenses and/or costs of complying with privacy laws if their confidential information is compromised, and lost income or increased operating costs due to a privacy breach event. This coverage is included on eligible Co-operators General Business insurance policies.

In addition, through our parent entity, Co-operators partnered and invested in Geosapiens, a Canadian company specializing in flood risk modelling and analysis. Co-operators also announced a investment in Responsive AI, a Canadian financial technology company whose mission is to help institutions scale better advice. Co-operators took a future looking investment approach in Alate, a fund that invests in property technology. Co-operators' support for Alate is representative of innovation and a willingness to embrace a leadership position by investing in a company that has the potential to be disruptive, giving us a unique perspective on the intersection of property ownership and financial services.

2021:

Transforming our underwriting processes was a key priority in 2021. An ongoing focus is to use data and analytics to support how we assess risk. We have developed tools to help us shape and improve the quality of the portfolios for all lines of business. These digital tools take our data and work in collaboration with the strengths of our people to prioritize our efforts on the best risks for our business and where we can be most competitive.

We partnered with PrevTech which allows Canadian farmers access to new on-farm fire risk reduction program when they insure their farm businesses with Co-operators. PrevTech's solution provides continuous, 24/7/365 monitoring of a farm's electrical network for electrical and thermal anomalies and faults on a farm's network.

GOVERNMENT REGULATION

CGIC, Sovereign, and CUMIS General are federal P&C insurance companies continued under the Insurance Companies Act (Canada) and licensed to carry on P&C insurance business in all the provinces and territories of Canada.

CGIC, Sovereign, and CUMIS General are subject to regulation and supervision in the jurisdictions in which they carry on business. Insurance regulators oversee matters relating to, among other things, licensing and examination, insurer solvency, capital adequacy, corporate governance practices, third-party arrangements, adequacy of the provision for unpaid claims, rate setting in respect of automobile insurance in certain provinces, claims and trade practices, policy forms, limitations on the nature and amount of certain investments, mandated participation in shared insurance markets, technology and cyber risk, financial reporting, transactions with related parties and the amount of dividends that may be paid.

[1] As of Northstar's last quarterly brand study completed Q3 2022 compared to Q4 2021
[2] Year to date figures as of November 2022
[3] Based on an employee survey completed December 2021, following brand relaunch

Insurance legislation specifies the minimum capital levels that must be held by P&C insurance companies. The level of required capital is determined in accordance with regulations that assign risk weightings to various types of assets and liabilities and to other factors. On an annual basis, insurance companies are required to file their financial statements with the insurance regulators as well as any other information which regulators may, from time to time, request. The regulators examine insurance companies to ensure their compliance with applicable legislation and to confirm their financial condition.

ENVIRONMENT, SOCIAL AND GOVERNANCE

The Board of Co-operators General's ultimate parent, CGL, oversees Co-operators General's management of climate-related risks and strategy. Our updated four-year strategic plan began in 2023 and maintained a focus on sustainability. We continue to focus on our climate targets for our investments and operations which will help define a path for the crucial transition to a more sustainable and resilient economy.

We continue to innovate and create solutions which allow us to better manage and understand climate-related risks and how they impact our insurance liabilities. Through our Climatic Hazards and Advanced Risk Modelling (CHARM) team, we are developing and using sophisticated risk models to understand our exposure to climate-related risks from natural hazards like floods and wildfires, plan for financial impact of climate-related scenarios, and inform decisions related to how we design and deliver our insurance products. This climate strategy includes the following emissions-related targets that are:

- By 2030, 60% of Co-operators' total invested assets will be impact investments or those that support the transition to a sustainable, resilient, low-emissions society.
- By 2030, reduce emissions of Co-operators' operations by 45% from 2019 baseline levels.
- By 2040, net-zero emissions in Co-operators' operations.
- By 2050, net-zero in Co-operators' investment portfolio.

In 2023, we improved our coastal modeling and made updates to fluvial models (where bodies of water like rivers can overflow due to a significant flood event), which will be implemented going forward. We updated flood simulations to measure the impact of fluvial and coastal flooding on our commercial properties, which enabled us to provide this endorsement which has historically been a significant gap in the market. We have also increased the speed and scale of ongoing work to develop a wildfire simulation tool. Wildfire is a difficult peril to quantify because of the complexity and unpredictability of the risk. We have built capabilities to model wildfire risk and utilize these models internally, to better understand fire perils under current climate conditions.

Beginning in 2023, sustainability metrics are included into the Chief Executive Officer's (CEO's) Long-Term Incentive Plan (LTIP). Similar metrics will be applied to senior management starting in 2024. The sustainability metrics will account for 15% of the LTIP with 10% relating directly to climate-related targets.

Refer to the section of *climate-related disclosures* in our MD&A for further details of our climate and sustainability strategy.

INDUSTRY RANKING

Co-operators General's provincial and territorial ranking based on the most recent available statistics (2022 direct written premiums as reported in *2023 Canadian Underwriter Statistical Issue*) was as follows:

	Ranking
Alberta	4th
British Columbia	7th
Manitoba	7th
Nova Scotia	5th
New Brunswick	5th
Newfoundland and Labrador	3rd

	Ranking
Ontario	5th
Prince Edward Island	3rd
Quebec	12th
Saskatchewan	3rd
Territories	5th

Rankings for 2023 are unavailable at this time. However, we do not foresee major changes in our market position.

DIVIDENDS

The following table provides the dividends declared by class of shares:

$ thousands	**2023**	2022	2021
Preference shares			
Class A, series B	**4,946**	4,859	4,619
Class B	**1**	1	1
Class D, series A	**69**	70	70
Class D, series B	**213**	213	213
Class D, series C	**216**	216	216
Class E, series C	**5,000**	5,000	5,000
Class F, series A	**916**	916	916
Class G, series A	**37**	37	37
Class H, series A	**47**	-	-
Common shares	**225,200**	82,000	313,000
Total	**236,645**	93,312	324,072

The Company and its affiliates manage capital at a consolidated level to optimize return on capital. Capital management includes declaring dividends to the parent company. All dividends must be approved in advance by the Board of Directors and 15 days prior notice must be given to the Office of the Superintendent of Financial Institutions before payment. Further information regarding dividend terms can be found in our 2023 *audited consolidated financial statements* in Note 16.

During the current year, the Company started issuing class H preference shares, series A in place of the class A preference shares, series B for the staff share loan plan.

As at December 31, 2023, our publicly issued preferred shares consist of Class E preference shares, Series C which are listed on the TSX and trade under the symbol CCS.PR.C.

For the Class E shares only, 7 trading days prior notice must be given to the TSX before the Record Date.

DESCRIPTION OF CAPITAL STRUCTURE

Description of terms and designations of each class of authorized security and material characteristics are provided in detail in our *2023 audited consolidated financial statements* under Note 16.

RATINGS

Rating agencies issue several types of ratings. A Financial Strength Rating (FSR) provides guidance to policyholders of an insurance company's ability to meet its obligations to policyholders. An Issuer Credit Rating (ICR) provides guidance to investors of a company's ability to meet its senior obligations. A Preferred Share Rating (PSR) provides guidance to investors on the credit worthiness of the preferred shares issued by a company.

Our ratings from approved rating organizations are described below. A security 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 rating organization.

Standard & Poor's (S&P)

	Rating Type	**Outlook**	**2023[1]**	2022	2021
Co-operators General	FSR	Stable	**A-**	A-	A-
Co-operators General	ICR	Stable	**A-**	A-	A-
Co-operators General	PSR	n/a	**P-2**	P-2	P-2

[1]Rating is based on the date of most recent report in October 30, 2023.

The FSR rating of A- is in the third highest of ten categories in S&P's FSR scale and represents S&P's opinion that a company has strong financial security characteristics but is more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher rated insurers.

The ICR rating of A- is in the third highest of ten categories in S&P's ICR scale and represents S&P's opinion that a company has strong capacity to meet its financial commitments; however, adverse economic conditions or changing circumstances are somewhat more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation compared to obligor's in higher categories.

The PSR rating of P-2 corresponds to a BBB rating on S&P's global scale and is in the third highest of nine categories in S&P's PSR scale and represents S&P's opinion that a company has adequate capacity to meet its financial commitments; however adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation.

A.M. Best

	Rating Type	**Outlook**	**2023[1]**	2022	2021
Co-operators General	FSR	Stable	**A**	A	A
Co-operators General	ICR	Stable	**a**	a	a
Sovereign	FSR	Stable	**A**	A	A
Sovereign	ICR	Stable	**a**	a	a

[1]Rating is based on the date of most recent report in March 7, 2024.

The FSR rating of A is in the second highest of seven categories of A.M. Best's FSR scale and represents A.M. Best's opinion that a company has an excellent ability to meet its ongoing insurance obligations.

The ICR rating of a is in the third highest of nine categories of A.M. Best's ICR scale and represents A.M. Best's opinion that a company has an excellent ability to meet its ongoing senior financial obligations.

Morningstar DBRS

	Rating Type	**Outlook**	**2023[1]**	2022	2021
Co-operators General	FSR	Stable	**A**	A	A (low)
Co-operators General	ICR	Stable	**A**	A	A (low)
Co-operators General	PSR	Stable	**Pfd-2**	Pfd-2	Pfd-2 (low)

[1]Rating is based on the date of most recent report in November 21, 2023.

The FSR rating of A is in the third highest of ten categories in Morningstar's FSR scale and represents their opinion that a company has good financial strength, has substantial capacity for the payment of policyholder obligations and any qualifying negative factors are considered manageable. Under Morningstar's rating methodology, the FSR is also the ICR.

The PSR rating of Pfd-2 is in the second highest of six categories in Morningstar's PSR scale and represents their opinion that a company's protection of dividends and principal is substantial, but earnings, the balance sheet and coverage ratios are not as strong as higher rated insurers.

MARKET FOR SECURITIES

2023 Trading Price and Volume Chart:

Month	Class E, Series C TSX symbol: CCS.PR.C		
	Low $	High $	Shares #
January	19.64	21.70	34,990
February	20.24	21.61	42,579
March	19.44	20.58	72,775
April	19.80	20.98	35,191
May	19.67	20.60	33,965
June	18.72	20.08	60,653
July	18.69	19.57	15,967
August	18.60	19.54	16,350
September	18.80	19.37	25,567
October	16.50	19.24	24,036
November	17.01	19.49	133,480
December	17.20	19.44	81,661

SALES OF UNLISTED SECURITIES

Information on the issuance and redemption of unlisted securities during the year is provided in our *2023 audited consolidated financial statements* in Note 16.

EXECUTIVE OFFICERS

The following are the Executive Officers of Co-operators General for the year ended December 31, 2023:

Executive officer name and municipality of residence	Position
ROBERT WESSELING Guelph, Ontario	President and Chief Executive Officer
KEVIN DANIEL[1] Mississauga, Ontario	Executive Vice-President, Chief Client Officer
JESSICA BAKER[2] Cambridge, Ontario	Executive Vice-President, Advisor, Contact Centre and Retail Wealth, Chief Retail Sales Officer
EMMIE FUKUCHI Mississauga, Ontario	Executive Vice-President and Chief Digital and Marketing Officer
LISA GUGLIETTI Guelph, Ontario	Executive Vice-President, Chief Operating Officer, P&C Insurance Solutions
PAUL HANNA Guelph, Ontario	Executive Vice-President, Member Relations, Governance and Corporate Services
KAREN HIGGINS Guelph, Ontario	Executive Vice-President, Finance and Chief Financial Officer
KATHLEEN HOWIE Oakville, Ontario	Senior Vice-President, General Counsel and Associate Secretary
STEVEN PHILLIPS[3] Oakville, Ontario	Executive Vice-President, Emerging Business Models and Adjacency Business Models
LAURA MABLY Etobicoke, Ontario	Executive Vice-President, Chief Human Resources Officer
HARRY PICKETT[4] Burlington, Ontario	Executive Vice-President and Chief Information Officer
ALEC BLUNDELL Regina, Saskatchewan	Executive Vice-President and Chief Operating Officer, Co-operators Life and CUMIS
COLETTE TAYLOR[5] Vaughan, Ontario	Executive Vice-President and Chief Operating Officer, Sovereign

[1] Kevin Daniel retired from his position as Executive Vice-President, Chief Client Officer on July 7, 2023.

[2] Jessica Baker was appointed Executive Vice-President, Advisor, Contact Centre and Retail Wealth, Chief Retail Sales Officer on July 2, 2023.

[3] Steven Phillips role was changed from Head of Soverign to Executive Vice-President, Emerging Business Models and Adjacency Business Models during the year.

[4] Harry Pickett was appointed Executive Vice-President and Chief Information Officer on December 6, 2021, on an interim basis.

[5] Colette Taylor was appointed Executive Vice-President and Chief Operating Officer, Sovereign on April 23, 2023.

Each of the executive officers of Co-operators General has been engaged in their principal occupation or has held an occupation with the same employer for more than five years, with the exception of:

- Emmie Fukuchi, who prior to January 14, 2019, was Senior Vice-President of Customer Experience and Marketing (2017 - 2018) at Great-West Life, Vice President of Digital and Product Development at LoyaltyOne (2014 - 2016) and Associate Vice President of Marketing Innovation and Digital for LoyaltyOne (2010 - 2014).
- Harry Pickett, who prior to December 6, 2021, was Global CIO of Aimia, held senior executive positions at Symcor, Manulife, Canadian Imperial Bank of Commerce, Bank of Montreal and International Business Machines Corporation (1996 - 2015).

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. As a result of COVID-19, emerging litigation arose pertaining to coverage interpretation, resulting in certain class actions to which Co-operators General is a defendant. We are currently of the opinion that this litigation will not have a significant effect on the financial position, results of operations or cash flows of Co-operators General.

There were no actions taken against the Company by regulators as defined in the Form 51-102F2 during 2023.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

There are no material transactions with directors or executive officers or a person or company that is the direct or indirect beneficial owner of, or who exercises control or direction over, more than 10 percent of any class or series of Co-operators General's outstanding voting securities other than transactions with CGL and subsidiaries of CGL as described below under Material Contracts.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for our Class E preference shares, Series C is Computershare Trust Company, at its principal offices in Toronto, Ontario.

MATERIAL CONTRACTS

Except as described below, 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 an Inter-company Services Agreement dated January 1, 2016, amended for minor updates thereafter, whereby it receives corporate and executive services from its ultimate parent company CGL. CGL and CFSL incur among other things, the cost for services including corporate procurement, human resources, costs related to the Board of Directors, annual general meeting, senior executives, general counsel, compliance, enterprise risk management (ERM), corporate actuarial, corporate reinsurance, strategic planning, enterprise project management office, corporate finance, financial accounting, tax, audit, marketing and corporate communications, enterprise information technology and workplace services. The direct costs are allocated on a cost-recovery basis and are allocated among the subsidiaries of CGL through various allocation methods that take into consideration factors such as consumption, cost drivers and time spent. This is an annually renewable contract. In addition to those services described above, in the normal course of business, we obtain other services from related companies that are under the common ownership of our ultimate parent, CGL. Details of these services can be found in the *Related Party Transactions* section of our 2023 MD&A.

Copies of these agreements are available on www.sedarplus.com.

INTEREST OF EXPERTS

Co-operators General's auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, Licensed Public Accountants, who prepared an independent auditor's report dated February 22, 2024, in respect of Co-operators General's consolidated financial statements which comprise the consolidated financial position as at December 31, 2023, December 31, 2022 and January 1, 2022, the consolidated statements of changes in shareholders' equity, income, comprehensive income and cash flows for the years then ended, and the related notes. PricewaterhouseCoopers LLP has advised that they are independent with respect to Co-operators General within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Co-operators General's appointed actuary on February 22, 2024, was Dan Vanderploeg, Fellow, Canadian Institute of Actuaries, who has prepared an appointed actuary's report dated February 22, 2024, included in the audited consolidated financial statements of Co-operators General for the year ended December 31, 2023. The appointed actuary's report is in respect of Co-operators General's policy liabilities for its statement of financial position as at December 31, 2023 and their change in statements of income for the year then ended in accordance with accepted actuarial practice in Canada, including selection of appropriate assumptions and methods. Dan Vanderploeg's interest in Co-operators General's securities of any class represents less than one per cent of the outstanding securities of the same class.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

There is no indebtedness of independent directors to Co-operators General under any program except routine indebtedness. Certain executives are indebted to Co-operators General as at February 29, 2024. The indebtedness relates to participation in the programs listed below.

SHARE PURCHASES

A share purchase plan is available to provide interest free loans to eligible employees and executives on their 1st, 5th, and 10th year anniversary and every five-year anniversary thereafter with the Company to purchase Class H Preference Shares (prior to November 1, 2023 it was Class A Preference Shares Series B). The loans are repayable from the proceeds of the dividends payable on the shares and from payroll deductions and are typically repaid over a period of eight to ten years. The purchased shares are held by Co-operators General as security on the loan until the loan has been fully repaid. The amount of the loan made available to each employee is based on salary and years of service.

OTHER

There are two components to the home relocation plan provided to employees. It is comprised of the housing differential loan and the home equity advance loan.

Housing Differential Loan

This loan is available to assist employees who are moving to a community with increased housing costs. An interest free loan of up to $25,000, for a maximum term of five years, may be used to help bridge the excess costs. The loan, which is provided by a third party, is guaranteed by the ultimate parent, CGL. On default of the loan, CGL would settle with the company for which the employee worked. Any such loans are to be approved by the business unit executive Vice-President and reported to the Chief Human Resources Officer. Loans in excess of $25,000 are exceptions approved by the President and Chief Executive Officer (CEO) due to the higher cost of housing in certain locations. The outstanding amounts are listed in the table below.

Home Equity Advance Loan

An equity advance is available only to executive officers, district managers and directors who participate in the guaranteed home sale plan. Any such loans are to be approved by the Chief Human Resources Officer. A cash advance of up to ninety-five percent of the equity in the old location property for purposes of a new home purchase is available. The equity is based on the higher of the sale price to an outside buyer or guaranteed plan price, less any remaining mortgage principal, liens or advances. The advance is interest free for up to ninety days for the deposit, down payment, land purchase and/or construction of a new home. All advances are re-paid upon the sale of the property.

SUMMARY OF INDEBTEDNESS

The following table summarizes the aggregate indebtedness to Co-operators General and its subsidiaries of current executive officers and employees of Co-operators General, its affiliates or its subsidiaries. This indebtedness consists of a preferred share purchase plan and home relocation loan. If employment ends and there are amounts outstanding, the full amounts are to be repaid in full by the individual.

Purpose	Aggregate Indebtedness at February 29, 2024	
	To the company or its subsidiaries $	To another entity $
Share purchases	18,748,075	-
Other	-	45,000

Loans to executive officers of greater than $50,000 during 2023 are listed in the table below. No amounts were forgiven in 2023.

Name and principal position	Involvement of the company or subsidiary	Largest amount outstanding during 2023 $	Amount outstanding as at February 29, 2024 $	Financially assisted securities purchased during 2023 #	Security for indebtedness
Robert Wesseling, President and Chief Executive Officer	Company	103,300	81,756	1,894	Shares
Kevin Daniel, Executive Vice-President, Chief Client Officer[1]	Company	82,946	-	1,664	Shares
Lisa Guglietti, Executive Vice-President, Chief Operating Officer, P&C Manufacturing	Company	75,876	61,794	1,170	Shares
Karen Higgins, Executive Vice-President, Finance and Chief Financial Officer	Company	56,322	47,541	767	Shares

[1] Kevin Daniel retired from his position as Executive Vice-President, Chief Client Officer on July 7, 2023.

EXTERNAL AUDITOR

PricewaterhouseCoopers LLP is the independent auditor of Co-operators General.

CORPORATE GOVERNANCE

OVERVIEW

Co-operators General is governed by the Insurance Companies Act (Canada) which defines requirements of our governance including measures on related party conduct, compliance and independence. National Instrument 52-110 provides additional specific guidance about independence requirements for Audit & Finance Committees. Co-operators General complies with the applicable rules and legislation.

BOARD OF DIRECTORS

The Board of Directors (board) is composed of 23 directors, all but one of whom are independent of Co-operators General. The one non-independent director, the President and CEO, is required by the Insurance Companies Act (Canada) to be on the board. Each director, other than the President and CEO, is free of a “material relationship” (as defined in National Instrument 52-110).

The 22 independent directors are also the directors of the board of Co-operators General’s ultimate parent company, CGL.

As a matter of policy, the board holds in-camera sessions without management in attendance in conjunction with every board meeting. There were 6 such sessions without management in attendance in 2023, refer to *attendance record* section for details. The board also has a policy in place that allows individual directors and board committees to independently engage external advisors.

The Chairperson and Vice-Chairperson of CGL’s board are elected from its directors and are independent. Directors are elected for a three-year term on the CGL board; however, they are elected to Co-operators General’s board for a one-year term. The roles of the Chairperson and Vice-Chairperson are elected on an annual basis for a one-year term. John Harvie was elected as the Chairperson of the CGL board and is also the Chairperson of Co-operators General. Mr. Harvie regularly attends board committee meetings to keep current on all Co-operators General issues. Alexandra Wilson was elected as the Vice-Chairperson of the CGL board and is also the Vice-Chairperson of Co-operators General.

At CGL’s Annual General Meeting (AGM), there may be some changes in CGL’s directors and therefore in Co-operators General’s directors. Board committee membership is established after each AGM and committees remain in place until the following AGM. The committees in place as of December 31, 2023 are: Audit & Finance, Compliance & Ethics, Governance & Co-operative Identity, Human Resources, Risk, and Sustainability. The Sustainability Committee is populated by representatives of each of the other five board committees.

The following are the directors of Co-operators General as at December 31, 2023:

Director name and municipality of residence	Director since[1]	Principal occupation
MICHAEL BARRETT(GCI,S) Lakefield, Ontario	April 2023	Retired
PHIL BAUDIN(AF) Vancouver, British Columbia	April 2013	Retired
LOUIS-H. CAMPAGNA(R) Québec, Québec	April 2015	Retired
BRENT CLODE(R) Calgary, Alberta	April 2023	Chief Investment Officer, Central 1 Credit Union (financial services)
HAZEL CORCORAN(CE,S) Calgary, Alberta	April 2016	Executive Director, Canadian Worker Co-operative Federation (national co-operative association)
MIKE CSVERSKO(AF,S) Dauphin, MB	April 2021	Director of Business Development, Fusion Credit Union (financial services)
PIERRE DORVAL(AF) Moonbeam, Ontario	April 2021	President and Chief Executive Officer, Caisse Alliance (financial services)
JOHN HARVIE(GCI) Chairperson, Board of Directors	April 2011	Retired
KATE HILL(CE) Calgary, Alberta	April 2021	Chief Risk Officer, Chief Compliance Officer, Chief Anti-Money Laundering Officer, Credit Union Central Alberta (financial services)
CHRIS JOHNSON(CE*) Chesterville, Ontario	April 2018	Farmer
LORNA KNUDSON(CE) Regina, Saskatchewan	April 2023	Retired
JIM LAVERICK(AF*) Spruce Grove, Alberta	April 2011	Retired
JIM MACFARLANE(R) Upper Tantallon, Nova Scotia	April 2020	Retired
SHELLEY MCDADE(HR, S) Campbell River, British Columbia	April 2021	Chief Executive Officer, Sunshine Coast Credit Union (financial services)
ROBERT MOREAU(HR*) Caraquet, New Brunswick	April 2021	Retired
JESSICA PROVENCHER(GCI*) Québec City, Québec	April 2014	Consultant (co-operative development)
CHRISTIE STEPHENSON(AF) Vancouver, British Columbia	April 2023	Executive Director, Peter P. Dhillon Centre for Business Ethics, University of British Columbia Sauder School of Business (educational services)
JENNIFER UHREN(HR) North Weyburn, Saskatchewan	April 2023	Executive Corporate Services, Credit Union Central of Saskatchewan (financial services)
NICOLE WALDRON(GCI) Toronto, Ontario	April 2021	Self-employed (event planning and keynote speaking)
ROBERT WESSELING Guelph, Ontario	December 2016	President and Chief Executive Officer, CGL
JACK WILKINSON(R, S*) Belle Vallee, Ontario	April 2007	Farmer
ALEXANDRA WILSON(R*) Ottawa, Ontario	April 2000	Retired
ROD WILSON(HR) St. Francois Xavier, Manitoba	April 2023	Chief Executive Officer, Arctic Co-operatives Limited (retail services)

[1] The expiry term for all board members is April 2024.

(AF) Audit & Finance Committee
(CE) Compliance & Ethics Committee
(CIC) Governance & Co-operative Identity Committee
(HR) Human Resources Committee
(R) Risk Committee
(S) Sustainability Committee
* Denotes committee chairperson

Each of the directors of Co-operators General has been engaged in their principal occupation or has held an occupation with the same employer for more than five years, with the exception of:

- Michael Barrett, who prior to 2023 was President and Chief Executive Officer, Gay Lea Foods Co-operative Limited;
- Robert Moreau, who prior to 2023 was President and Chief Executive Officer, UNI Financial Corporation;
- Jennifer Uhren, who prior to 2022 was Head of Corporate Services, Credit Union Central of Saskatchewan;
- Nicole Waldron, who prior to 2019 was Special Assistant Outreach - Adam Vaughn, Member of Parliament for Spadina Fort York (2018 – 2019); and
- Alexandra Wilson, who prior to 2021 was Chief Executive Officer, The Agency for Co-operative Housing.

ATTENDANCE RECORD OF DIRECTORS

The following is a summary of the attendance record of Co-operators General's directors at board and committee meetings in 2023. In instances when a director's committee responsibilities changed during the year, their attendance is expressed over the number of meetings they were eligible to attend.

Name	**Board**	**Audit & Finance Committee**	**Compliance & Ethics Committee**	**Governance & Co-operative Identity**	**Human Resources Committee**	**Risk Committee**	**Sustainability Committee[1]**
Meetings	**6 meetings**	**7 meetings**	**4 meetings**	**6 meetings**	**9 meetings**	**6 meetings**	**5 meetings**
Michael Barrett[2]	5/5			4/4			4/4
Phil Baudin	6	5/5	1/1				
Louis-H. Campagna	6			2/2		5/5	1/1
Brent Clode[2]	5/5					4/5	
Gilles Colbert[3]	2/2	2/2					1/1
Hazel Corcoran	6		3/3	2/2			4/4
Mike Csrvesko	6	5/5	1/1				5
Pierre Dorval	6	6					
John Harvie[4]	6	7	4	6	9	6	4
Kate Hill	6		4				
Chris Johnson	6		4				
Geri Kamenz[3]	2/2	2/2					
Bill Kiss[5]	1/1	1/1					
Lorna Knudson[2]	5/5		3/3				
Jim Laverick	6	7					
Jim MacFarlane	6			4/4		1/1	
Shelley McDade	5				9		5
Robert Moreau	5				8/9		
Rob Paterson[3]	1/2					0/1	
Jessica Provencher	6			4/4	3/4		
Collette Robertson[3]	2/2				4/4		
Christie Stephenson[6]	5/5	5/5					
Jennifer Uhren[2]	4/5				5/5		
Jocelyn VanKoughnet[3]	2/2			2/2			
Nicole Waldron	6			6			
Robert Wesseling[7]	6	2			6	4	0
Jack Wilkinson	6					6	5
Alexandra Wilson	6					6	
Rod Wilson[2]	5/5				5/5		

[1] The Sustainability Committee is composed of a member of each of the other five standing board committees.

[2] Elected to the board of directors in April 2023.

[3] Retired from the board of directors in April 2023.

[4] John Harvie is the chairperson of Co-operators General and a member of the Governance & Co-operative Identity Committee. Mr. Harvie regularly attends other committee meetings to keep current on all Co-operators General issues.

[5] Retired from the board of directors in February 2023.

[6] Elected to the board of directors in March 2023.

[7] Robert Wesseling is the President and CEO of Co-operators General. Mr. Wesseling regularly attends committee meetings to keep current on all Co-operators General issues.

No directors are directors of other reporting issuers in Canada or elsewhere.

MANDATE OF THE BOARD OF DIRECTORS

The board is responsible for key governance issues including:

- Articulating the purpose, vision and values;
- Setting the strategic direction and monitoring performance;
- Ensuring the organization's financial viability;
- The appointment, selection and performance management of the President and CEO; and
- Ensuring Co-operators maintains a leadership role in the insurance industry and co-operative movement.

The board annually reviews and approves the financial statements and strategic business plans for the company and monitors its progress in achieving these plans throughout the year.

The board regularly reviews and approves its own Mandate (Appendix A), which sets out in more detail its key accountabilities.

BOARD CONTROL OF SIGNIFICANT DECISIONS

The board oversees the activity of management and in some cases, particularly where mandated by the Insurance Companies Act (Canada), exercises management functions for Co-operators General. Any matter required by law to be reviewed by the board and any major decision required to be reviewed by the board under applicable policies, such as significant investment transactions, including the Investment Policy of Co-operators General and potential acquisitions, joint ventures, financings, divestitures, or other significant business arrangements, must be submitted to the board for prior approval. The respective roles of the various committees of the board as well as the obligations of directors are outlined in board policies. The board also maintains board policies setting out board oversight or governance of management and the board's operating practices. The board maintains a Governance Framework that provides an overview of the corporate governance structure, principles, policies and practices that enable the organization to meet the expectations of its various stakeholders.

The board reviews and approves the financial statements, participates actively in developing and providing ultimate approval of the strategic business plans for Co-operators General each year and monitors Co-operators General's progress in achieving its financial and business plans throughout the year. It also develops the long-term (four-year) plan in concert with senior management, providing ultimate approval of the long-term plan, and monitors and evaluates each four-year plan as it unfolds.

POSITION DESCRIPTIONS

Co-operators General has written position descriptions for the Chairperson and the Vice-Chairperson of the Board and the Chairperson of the Audit & Finance Committee, which are set out in board policies. In conjunction with the implementation of a new board committee structure, a position description for the Committee Chairpersons was adopted in 2022. The Chairperson position descriptions supports a more intentional approach to succession planning for key board leadership positions. All board Chairperson positions are elected annually by the board and Committee Chairpersons can hold no other position on board standing committees, except for the Chairperson of the Sustainability Committee as the committee is comprised of representatives of each of the remaining five board committees.

The board has a written position description for the President and CEO and a Success Profile that identifies the required strategic imperatives, success criteria and attributes of the President and CEO with respect to the operating landscape; the President and CEO Success Profile was reviewed and updated in 2022. It has also adopted a board policy (the Delegation of Power to Manage to the President and CEO) which sets out the authority to manage delegated to the President and CEO by the board. The board conducts a formal annual review of the performance of the President and CEO. The results of this review are discussed in an annual in-camera meeting that commences without the participation of the President and CEO and completes with the President and CEO in attendance.

ROLE OF THE CHAIRPERSON OF THE BOARD

- Along with the President and CEO and their designate, develops meeting agendas;
- Unless some other person is appointed therefore, Chairs all meetings of the board and performs such other duties as may from time to time be delegated or directed to this position;
- Ensures that Management provides the board with sufficient appropriate information so that it can fulfil its responsibilities;
- Periodically, consults with the President and CEO about management and board concerns and their inter-relationships and ensures that the operations of CGL are conducted within policies established by the board;
- Acts on behalf of the Board in the event that there is no longer a President and CEO;
- Ensures that the board members are given an opportunity for adequate training to carry out their responsibilities effectively;
- Provides leadership in assessing the performance of the President and CEO, counsels the President and CEO accordingly while keeping the board informed and serves as liaison officer between the President and CEO and the board;
- Acts as chief spokesperson for the board in accounting for its stewardship to the members;
- Serves as an ex-officio member of standing board committees; and
- Becomes sufficiently knowledgeable about all directors so that, as Chairperson, they are acquainted with directors' special skills, abilities, and interests.

DIRECTOR TERM LIMITS AND OTHER MECHANISMS OF BOARD RENEWAL

Directors are elected as directors of CGL for a three-year term. Directors of CGL also serve as directors of Co-operators General. Directors of Co-operators General are elected for a one-year term. The director terms for CGL are staggered to ensure continuity on the board and minimize turnover in any one year. There have been no term limits adopted for the directors of either CGL or Co-operators General, however in 2023 the board held focused discussions on enhancing board succession planning practices and endorsed a proposal for a director term limit that will be presented to the CGL membership for approval at the CGL AGM in April 2024. In 2023 there were six directors who retired from and six new directors who joined the board. Director tenure is measured and reported on a yearly basis in CGL's Integrated Annual Report appendices. The average number of years of service for the current directors is six years. Various tools (e.g., Director Skills Matrix) and processes (e.g., governance assessments) are in place to assess board, board committee, Chairpersons, and director effectiveness. The number of directors per region is set out in Ordinary By-law No. 1 of CGL.

Directors are elected through the following process:

- CGL members appoint two delegates within their region as their representatives at Regional and Annual meetings;
- Delegates in each region nominate director candidates, who determine 15 (at-large) of the 22 directors. The remaining 7 directors are nominated by the Credit Union Centrals, three of which are nominated by Central 1 Credit Union, and one director is nominated by each of Credit Union Central Alberta Limited, Credit Union Central of Manitoba Limited, Credit Union Central of Saskatchewan, and Atlantic Central;
- Members who are eligible to nominate at-large candidates can nominate a maximum of two at-large candidates for the board;
- In order to be nominated as a director, persons need to be nominated at a regional meeting, have served as a delegate or an alternate delegate of Co-operators for at least one full year, and have attended two regional meetings within a twelve-month period, or have previously served as a director of CGL;
- Directors are elected from the nominees at the AGM of CGL by the CGL members as represented by their appointed delegates; and
- Since Co-operators General is a wholly owned subsidiary, CGL elects the directors including the President and CEO who are also directors of Co-operators General. The Insurance Companies Act (Canada) requires the President and CEO to be a director of Co-operators General.

ORIENTATION AND CONTINUING EDUCATION

As reported above, the directors of Co-operators General are effectively chosen by the CGL members. Depending on how long they have served as delegates to CGL before being elected to the board, they may not at first have significant knowledge of the insurance industry.

Educational development begins when potential directors are delegates. Delegates meet three times a year, at two regional meetings and at the AGM. At each of these meetings there are presentations and education sessions with respect to Co-operators General, its business and progress in the period up to the time of the meeting. Delegates also have access to on-demand and live educational webinars to further enhance their learning and understanding of Co-operators. Recognizing that the delegate body is the pool of candidates from which potential directors are nominated and elected, a Delegate Skills Matrix has been adopted to inform and support the delegate appointment process. Annually, the delegates are asked to complete self-assessments of their skill levels against the matrix to produce a delegate skills heat map that identifies areas of strength and opportunities for development for future education sessions. Alternate delegates are also included in the self-assessment process to enhance the heat map's utility by offering more in-depth insight into the composition of the pool of potential candidates for director roles. Delegate training and mentorship programs have been established with the objective of developing the depth and breadth of the delegate body and pipeline of potential director candidates.

Once elected, directors attend a comprehensive New Director Orientation. This orientation includes presentations from representatives of all key areas in Co-operators General and involves a complete review of Co-operators General's structure, governance, business and the role of directors. A second orientation is offered mid-year to provide the new directors with additional education and information. As well, upon joining the board, new directors are offered a mentor from the board to support their onboarding and continuous development in the role of director.

An integrated approach to education encourages director participation in a variety of activities, including but not limited to board and committee education sessions, webinars, conferences, and individual director training and development, including accredited designation programs. On an ongoing basis, the board and its committees are provided a range of educational sessions on topics germane to Co-operators General. In addition, two of the board's meetings each year are reserved for board/management seminars to provide educational content and determine annual and long-term strategies and perform the biennial governance assessment.

Biannual board education days focus on subjects relevant to our business environment, including corporate and co-operative perspectives, delivered by both internal and external subject matter experts. In 2022, the education days focused on the subjects of: Co-operators Inclusion, Diversity, Equity and Accessibility (IDEA) Strategy Accomplishments and 2023/2024 Plan; Measuring and Evolving IDEA (the GDEIB and Strategy Refinement Process); Truth and Reconciliation Strategy Development; Fostering Neurodiversity Inclusion and Engagement; Using Virtual Reality for Anti-racism Education; Understanding Reinsurance; Lessons and Insights on Social Impact Change from Co-operators Community Funds; IFRS 17 and 9 Year in Review; Introduction to Enterprise Compliance and Dashboard Reporting Overview; Enterprise Privacy and Partners in Privacy Overview; Co-operators Group of Companies' Overview and Governance Requirements. All directors were also invited to attend the annual Audit & Finance Committee education day.

The board, by policy, has also allocated up to $18,000 per director per three-year term (on the CGL board) to be used towards their continuing education as it applies to their role as a director. The Governance department provides directors with information about external education opportunities aligned to the Director Skills Matrix to support and encourage independent training and development activities. Each director works with the Chairperson to identify their own areas for development and is expected to apply their educational budget towards this development. In 2023, directors completed a total of 24.5 days of individual training and development activities.

In 2023, the board introduced an annual Chairperson Training session as a part of its focus on enhancing board leader position succession planning. The inaugural Chairperson Training offered a customized program facilitated by an external governance consultant that provided an opportunity for the Chairperson of the Board, Vice-Chairperson of the Board and Committee Chairpersons to sharpen their chairing and facilitation abilities, deepen their governance understanding, and define boundaries to establish strong relationships. The session delivered on the outcomes of building a common understanding of good governance; creating effective conditions for making boardroom decisions; and understanding the characteristics of an effective chair.

ETHICAL BUSINESS CONDUCT

Co-operatives follow a set of principles adopted by the International Co-operative Alliance encompassed in the 'Statement on Co-operative Identity'. These principles include such things as one member, one vote, concern for community and co-operative education. Ethical business conduct has been a cornerstone of doing business for Co-operators General since its very beginning.

The board has adopted several policies relating to director conduct including the Code of Ethics and Business Conduct, Director's Corporate Opportunities Policy, Conflict of Interest Policy, and Human Resources Policies Applicable to Directors Policy. Similar policies are in place with respect to staff. The Chief Compliance Officer (CCO) reports annually to the board on experience under, compliance with, and maintenance of staff ethics policies. A copy of any of these policies can be obtained by writing to the Corporate Secretary at Co-operators Group, 130 Macdonell Street, Guelph, Ontario, N1H 6P8.

Co-operators General's ethics policies include a procedure for the handling of confidential and/or anonymous complaints relating to accounting, auditing, internal control, and all other matters. Individuals who wish to submit a complaint or concern can do so by calling or utilizing the e-Web reporting system called Speak Up with Convercent by OneTrust. Individuals may raise bona fide concerns without reprisal and are assured that all information they provide will be treated in a confidential, discreet manner. Concerns will be properly investigated, on a case-by-case basis.

The board's Compliance & Ethics Committee is responsible for fulfilling certain requirements of the Insurance Companies Act (Canada), particularly those relating to self-dealing, the maintenance and monitoring of the Board Conduct Policy, and for ensuring that conflicts of interest are identified and dealt with.

Directors and officers are required annually to file a statement disclosing any interests or involvements that they may have in entities or transactions in which Co-operators General may be involved. These are reviewed by Co-operators General's General Counsel who reports on any issues raised to the Compliance & Ethics Committee, which then reports to the board.

Directors also have confidential access to independent legal advice at the company's expense with respect to issues involving their role as directors, particularly conflicts of interest and they are advised and do use such counsel.

The Corporate Opportunities for Directors Policy prohibits the offering of corporate opportunities to directors unless such opportunities have already been offered to an identifiable market, such opportunities are on market terms and conditions and other requirements with respect to diligence, form and transparency have been complied with.

No material change report was filed in 2023 that pertains to the conduct of a director or an executive officer which constitutes a departure from this policy.

The Insurance Companies Act (Canada) requires that directors who have a conflict of interest in a transaction in which Co-operators General is involved declare that interest and not participate in any meeting where that issue is being discussed. The Conflict of Interest Declaration Notice is included in all board reports to remind directors of their obligations. Directors have declared conflicts of interest and absented themselves from a meeting when and as required.

In compliance with the Public Accountability Statement requirements under the Insurance Companies Act (Canada), CGL publishes an annual Integrated Report which reviews the activities of CGL's companies. This report includes the activities of Co-operators General, along with the activities of other regulated companies owned by CGL.

The CCO of CGL makes compliance reports to the Compliance & Ethics Committee. The CCO solicits feedback from various roles across Co-operators group of companies to prepare reports on compliance. Although the reports are exceptions-based, in the process of doing this review any major divergence from regulations, industry guidelines, company policy, including ethical business conflict, is identified and reported on.

DIVERSITY IN GOVERNANCE

BOARD OF DIRECTORS

One of the co-operative principles we operate under is democratic control. The diversity of our board is a product of this democratic control and reflects the nature of our member organizations. The Company recognizes and values diversity, including age, culture, ethnicity, gender, geographic and sectoral representation, and skill. The board has identified diversity of skill and representation of women on the board as priority areas of focus and believes that having a mix of highly qualified directors from diverse backgrounds contributes a broad range of perspectives and experiences that ultimately delivers the best possible corporate and co-operative governance.

The board has dedicated significant time in 2022 and 2023 to advancing its approach to IDEA in Governance. Under the leadership of the Governance & Co-operative Identity Committee, the board has participated in an education session on Inclusive Governance, approved a set of Guiding Principles for IDEA in Governance, adopted a Safe Space Guideline, and dedicated significant time to IDEA education. In 2023, the board partnered with an external consultant to develop an IDEA in Governance Strategy in consultation with governance stakeholders. The IDEA in Governance Strategy was approved by the board in 2023, and an action plan to support its implementation will be developed in 2024 and overseen by the Governance & Co-operative Identity Committee for the strategy's duration until 2026.

REPRESENTATION OF WOMEN ON THE BOARD AND AMONG EXECUTIVE OFFICERS

BOARD OF DIRECTORS

The board has a Representation of Women on the Board policy that establishes a target to achieve 50% women directors by 2025. As the pool from which Co-operators' directors are nominated and elected is the delegate body, Co-operators has set a further goal to achieve 50/50 gender balance within the delegate pool in each region. The policy requires the Company to communicate its goals and expectations to our member organizations through the annual delegate appointment and director nomination processes. Members are asked to appoint at least one woman of its two delegates and are asked to consider our goals when nominating and electing individuals to serve on our Board of Directors. The policy also requires the Company to support the development of a pipeline of candidates by seeking to identify and implement programs and initiatives to promote and support the advancement of women within our governance structure. Since the policy's adoption in 2016, the Company has implemented a variety of tactics to raise awareness, communicate our goals and support the organization in moving toward its targets. This includes hosting events and discussions with member organizations and delegates, including at the AGM developing a delegate mentorship program; and reporting on the progress of representation of women within its delegate body and on the board to its members and the broader public in the Integrated Annual Report.

The Governance & Co-operative Identity Committee is responsible for implementing Co-operators Representation of Women on the Board policy, related strategies and objectives and for overseeing the Company's compliance with this policy. The Governance & Co-operative Identity Committee measures the year-over-year changes in representation of women in the delegate and alternate delegate pools, number of women nominated to the board of directors, and number of board member positions held by women and reports to the board at least annually on the organization's progress to its targets.

Currently, 9 of the 23 Co-operators General board member positions are held by women, which represents 39% of Co-operators General directors, which is an increase from 35% (8 directors) representation of women on the board in 2022. The 2023 director nomination process (for candidates to serve on the board for the 2024 – 2027 term) resulted in four women out of a total of twelve nominees for director positions (33%), an increase from the 2022 director nomination process which had two women out of a total of nine nominees (22%). Representation of women within the delegate and alternate delegate pools increased to 47% for 2023 from 37% for 2022. In 2016 when the Representation of Women of the Board policy was adopted, there were 5 of the 23 Co-operators General board member positions held by women (22%) and 28% representation of women within the delegate and alternate delegate pools.

EXECUTIVE OFFICERS

The Company does not have specific policies or targets in place regarding the representation of women among its executive officers. Policies or targets have not been adopted because a candidate's eligibility for a position is based on a number of factors focused on knowledge and skills specifically required for the job. The Company reports annually to the Board of Directors regarding the development of senior management, succession plans and processes in place for key management positions. Part of the metrics used for this report includes the number of women in the general succession planning pool, as well as the number of women in senior leadership positions. Currently, 31 out of 73 executive positions are held by women, which represents 42% of the executive team.

DIVERSITY OF SKILL ON THE BOARD

Co-operators General recognizes and values the benefits of having a diverse board of directors and considers diversity a key driver of our co-operative identity, competitive success and governance strength. To further this goal, a director skills matrix has been adopted by the board. The Director Skills Matrix defines the optimal characteristics of the board reflective of the board's current and future needs in consideration of the Company's strategy, risk profile, regulatory requirements, board responsibilities and commitment to diversity in governance. Annually, directors complete self-assessments of their perceived level of skill and experience against the matrix to produce a director skills heat map. The Chairperson of the Board and Chairperson of the Governance & Co-operative Identity Committee then assess the skills, expertise and experience of continuing directors to highlight areas of strength and identify opportunities for individual director development through continuing education. The Director Skills Matrix is considered in the director nomination and election process. and by the chairpersons of the board and committees to inform the annual committee population process and individual director board committee involvements. The Director Skills Matrix annual assessment process also queries directors for their interest in board leadership opportunities to support a more deliberate approach to succession planning for board leadership roles.

Recognizing that the delegate body is the pool of candidates from which potential directors are nominated and elected, the adoption of the Delegate Skills Matrix to inform the delegate appointment process and delegate education activities, ensures that the pipeline of potential director candidates is comprised of individuals that collectively possess a healthy balance of skills, expertise and perspectives to contribute to the governance of the Company.

DELEGATE DIVERSITY ANNUAL REPORT CARD

A Delegate Diversity Annual Report Card inspired by the Canadian Board Diversity Council's annual report card has been adopted and is completed annually by delegates and alternate delegates. This report provides insight into the composition of the delegate body and enables the Company to monitor progress of its diversity goals, as well as inform the development of new tactics and future decision-making that support diversity in governance.

COMPENSATION OVERSIGHT

The Human Resources Committee (HRC) of the board is responsible for compensation matters; directors Shelley McDade, Robert Moreau, Jennifer Uhren and Rod Wilson serve on the HRC, all of whom are independent. Collectively, the HRC possesses financial expertise, strategic leadership skills, and talent management and compensation experience through their service on boards of directors for other organizations (all), executive leadership positions held or previously held in the insurance and financial services industry (McDade, Moreau and Uhren), achievement of an accounting (Moreau) and human resources designations (Uhren), and completion of accredited governance programs (McDade and Moreau).

RESPONSIBILITIES

The HRC's mandate is included in the *Board Committees* section of the report. The committee shall perform the duties set out in Appendix B. The committee shall perform such other duties as may be necessary or appropriate under applicable law or stock exchange rules; may arise from time to time from business or economic issues; or as may be delegated to the committee by the board from time to time, including such duties as are specified in the Company's Board Mandate Policy, Appendix A.

AUTHORITY

- The committee has the authority to engage outside advisors, consultants or other professions and to call upon other resources, to assist in the execution of its duties and responsibilities. The committee may inquire into any matter it deems necessary in the performance of its duties and the discharge of its responsibilities. To support its inquiry, it may have full access to the Company's records, registries, premises, officers, and employees. The Chairperson of the Committee will inform the Chairperson or, as appropriate, Vice-Chairperson of the Board of Directors whenever it takes such action.
- The committee may, at its discretion, strike a sub-committee to review any matter relevant to its mandate.
- The committee may contact the President and CEO, Corporate Secretary, Chief Human Resources Officer, or any other officer. Access to any other employee can be requested through the President and CEO or Corporate Secretary.

DIRECTOR COMPENSATION

Directors of Co-operators General are compensated as directors of CGL, with the exception of the President and CEO, who receives no compensation in his capacity as a director.

The committee recommends a guiding philosophy and a Directors' Compensation Policy for the approval of the board and reviews the director compensation plan periodically in accordance with the policy. The Director Compensation Philosophy was last reviewed in 2021. It is reproduced below.

BOARD OF DIRECTORS COMPENSATION PHILOSOPHY

A skilled and dedicated board of directors is essential to the effective governance of Co-operators group of companies. In compensating the Chairperson and members of the board of directors for their service, the Company wishes to:

- Offer a compensation package that, taken as a whole, is competitive within the Canadian marketplace for multi-line insurance companies and co-operatives of similar size and scope of business to that of Co-operators; and
- Maintain consistency with the Company's philosophy for the compensation of its executives and other employees.

PRINCIPLES

The following principles will guide the development of the Company's Director Compensation Plan:

- Our compensation practices should motivate directors to keep the long-term interests of the Company in the forefront at all times;
- Compensation should put service before personal gain, while being sufficient to attract directors of appropriate skill and experience;
- Compensation should vary with the responsibility, expected time commitment and potential risk associated with different positions within the board. Accordingly, the Chair of the board, Vice Chair, Chairs of board committees and members of the boards of directors of subsidiary companies will receive additional compensation;
- Compensation should promote full attendance at board and committee meetings, while recognizing that the core responsibilities of a director and risks assumed do not vary directly with the time spent attending meetings. Accordingly, cash compensation will take the form of a fixed retainer, supplemented by a per diem fee for attendance at meetings and other approved activities;
- Compensation should recognize that directors come from widely varying distances to attend meetings. Accordingly, fees will be paid for travel time;
- Directors should be fully reimbursed for reasonable out-of-pocket expenses incurred in the performance of their duties as directors; and
- Members of the board should be encouraged to higher performance through continuous learning and development. Accordingly, financial support will be available for approved activities.

PROCESS

In its capacity as the board's compensation committee, the HRC will:

- Review this statement from time to time and recommend changes, as appropriate, for the board's consideration;
- Every three years, conduct or cause to be conducted a deliberative and objective review of the Director Compensation Plan; and
- Recommend, for the board's approval, periodic adjustments to all forms of director compensation.
- Director compensation will be disclosed to the appropriate regulators and as required, to the general public.

CURRENT COMPENSATION

A comprehensive review of the Director Compensation plan took place in 2021 with the assistance of two major consulting firms; the services of Willis Towers Watson and Hugessen Consulting Inc. were retained in May to conduct a competitive compensation design assessment and gap analysis of the President, CEO and Board of Directors, and select Executive positions. A survey of peer organizations was conducted, including banks; credit unions; diversified financial services providers; insurance companies; and co-operative and social purpose businesses. The review concluded in 2021 and adjustments to the rates of director compensation was implemented effective January 1, 2022. The 2021 director compensation review adjustments provided a greater proportion of a director's overall compensation through retainer, including activities that were previously compensated by per diems. An evaluation of the President and CEO's compensation against market compensation rates was performed at the same time, refer to the *Executive Compensation* section.

Current compensation paid to directors (other than the CEO) as of December 31, 2023 by CGL is as follows:

- The Chairperson receives an annual retainer of $140,000;
- All other directors receive an annual retainer of $42,000;
- The Vice-Chairperson receives an additional annual retainer of $4,500;
- The Chairperson of the Audit & Finance Committee receives an additional annual retainer of $14,000;
- The Chairperson of the Risk Committee receives an additional annual retainer of $12,000;
- The Chairperson(s) of other standing board committees (Compliance & Ethics, Governance & Co-operative Identity, Human Resources, and Sustainability) receive an additional annual retainer of $10,000;
- The HRC proposes a compensation amount to the board for approval for the Chairperson of any ad hoc committee at the time the committee is struck;
- All directors receive a per diem for attendance at the AGM; board and committee meetings; board and committee training events; and associated travel time:
    - More than 4 hours in duration: full day per diem of $900;
    - More than 2 hours but not exceeding 4 hours in duration: half day per diem of $450; and
    - More than 1 hour but no more than 2 hours in duration: ¼ day per diem of $225.
    - Travel per diem is paid at a rate of $900 per day using a zone-based grid with four zones (BC/AB; SK/MB; ON/QC; AT) and may be claimed only for events for which a meeting per diem may be claimed:
        - Provide 1 day (each way) per diem for travel out of home zone;
        - Provide 0.5 day (each way) per diem for travel within home zone; and
        - Provide no per diem for travel within home city.

Compensation paid by CGL to directors (other than the President and CEO) in 2023 is as follows:

Name	**Directors' compensation fees earned[1,2]** **$**
Michael Barrett[3]	57,858
Phil Baudin[4]	77,275
Louis-H. Campagna	72,600
Brent Clode[3]	43,458
Gilles Colbert[5]	23,741
Hazel Corcoran[4]	85,367
Mike Csrvesko	79,350
Pierre Dorval	64,050
John Harvie[6]	205,250
Kate Hill	66,075
Chris Johnson	76,492
Geri Kamenz[5]	15,192
Bill Kiss[7]	7,000
Lorna Knudson[3]	59,433
Jim Laverick[8]	99,225
Jim MacFarlane	74,175
Shelley McDade	68,100
Robert Moreau[8]	79,675
Rob Paterson[5]	12,942
Jessica Provencher[8]	78,517
Collette Robertson	20,592
Christie Stephenson[9]	57,500
Jennifer Uhren[3]	50,658
Jocelyn VanKoughnet[5]	21,492
Nicole Waldron	64,275
Jack Wilkinson[8]	83,725
Alexandra Wilson[8,10]	106,450
Rod Wilson[3]	55,608

[1] The table includes retainers and per diems but does not include any amounts paid as reimbursement for expenses.

[2] The director compensation program does not include shares, share options, other share-based compensation, non-equity incentive compensation, pensions benefits, or any other form of other compensation. However, directors may voluntarily participate in Co-operators General employee share purchase plan.

[3] Elected to the board of directors on April 5, 2023.

[4] Served as committee chairperson until April 5, 2023.

[5] Retired from the board of directors on April 5, 2023.

[6] John Harvie is the Chairperson of Co-operators General.

[7] Retired from the board of directors on February 28, 2023.

[8] Committee chairperson.

[9] Elected to the board of directors on March 1, 2023.

[10] Alexandra Wilson is the Vice-Chairperson of Co-operators General.

EXECUTIVE COMPENSATION-RELATED FEES

Total fees rendered to Willis Towers Watson and Hugessen Consulting Inc. to conduct the compensation design assessment of the Board of Directors in 2021 were $21,038.

BOARD COMMITTEES

All board committees are comprised of independent directors. In line with governance best practices, the board periodically conducts a review of its committee structure, ensuring that the committees support our key areas of focus and reflect the future requirements of the organization. In 2021, the board conducted a strategic review of its committee structure, which had been in effect since April 2013, to ensure that the committees in place were appropriate and provide for a reasonable allocation of responsibilities to support the board's governance responsibilities.

The board approved a set of guiding principles to inform the committee structure review, including compliance with regulatory requirements; consideration of corporate governance best practices and trends; leveraging the strengths of existing governance policies and frameworks; ensuring governance effectiveness and efficiency; maintaining currency with new and emerging strategic trends or capabilities material to the operating environment; and removing limitations of the status quo. The review included a simultaneous review of the committee mandates and terms of reference relative to the board's mandate and oversight responsibilities, ensuring that all board oversight areas are also placed onto a committee's mandate. Changes to the board committee structure resulting from the review took effect following the AGM in 2022.

The following are brief summaries of some of the key responsibilities of the board committees at Co-operators General as defined by the terms of reference which have been adopted for that committee:

AUDIT & FINANCE COMMITTEE

The responsibilities of the Audit & Finance Committee are discussed in detail under the section *Audit & Finance Committee Information*.

COMPLIANCE & ETHICS COMMITTEE

The Compliance & Ethics Committee assists the board of directors in fulfilling its responsibility for regulatory compliance, with the focus on compliance risk universe topics including:

- privacy;
- ethics, fair treatment of consumers (FTC), and compliance culture;
- director, officer, and employee compliance conduct; and
- regulator relationship oversight.

The purpose of the committee is to oversee the Regulatory Compliance Management (RCM) program, including the identification of key regulations, regulatory risk management policies, and ensure sound relationships with regulatory bodies. The committee also reviews compliance assessments, monitoring and reporting of matters pertaining to the compliance risk universe as well as the implementation of FTC principles.

The committee oversees conduct matters to ensure that directors, officers, senior managers, and employees act in an ethical and responsible manner that embodies the FTC principles contained in relevant policies. The committee seeks assurance that complaints from clients, employees and the public at large are fairly managed. The committee also oversees policies and programs that ensure privacy protection in accordance with legal and regulatory requirements.

Additionally, the committee is responsible for the appointment, compensation, retention, and oversight of the CCO whose responsibility include the implementation of processes that support FTC.

GOVERNANCE & CO-OPERATIVE IDENTITY COMMITTEE

The Governance & Co-operative Identity Committee assists the Board of Directors in fulfilling its oversight responsibility for governance effectiveness, co-operative identity and citizenship. The purpose of the committee is to build and enhance governance effectiveness, advance the co-operative identity with key stakeholders, and oversee citizenship programs pertaining to community investment and partnerships, corporate donations, employee volunteering and other aspects of community contributions.

The committee serves as a centre for self-reflection by developing and recommending frameworks, policies and practices to maintain high standards and leading practices in corporate and co-operative governance that foster a culture of open dialogue and debate. The committee ensures that the Board has the required composition and skills through appropriate structures, divisions of roles and responsibilities, training and development programs, performance assessments, and succession planning mechanisms. Additionally, the committee develops and oversees strategies, frameworks and programs to exercise adequate oversight of the activities of subsidiary governance.

The committee provides oversight to strategic initiatives that ensure the Co-operators plays a leadership role in the national and international co-operative communities as well as delivers on its goal to be more than the insurance provider of choice for member and co-operative clients. It fosters strong co-operative relationships with members and reviews and recommends to the Board policies, bylaws and strategies related to member admission, recruitment, eligibility and termination.

The Chairperson of the Governance and Co-operative Identity Committee also serves as the Chairperson of the Resolutions Committee. The committee is responsible for the Co-operators Democratic Structure Review process.

HUMAN RESOURCES COMMITTEE

The HRC assists the Board of Directors in fulfilling its responsibility for executive compensation, people strategies, pension plan management, and board compensation. The purpose of the committee is to oversee the President and CEO, including administration of the role's Success Profile and performance management and compensation programs; oversee executive compensation practices; ensure that effective management succession plans are in place; and provide oversight of the Company's responsibilities as Sponsor of The Co-operators and CUMIS Retirement Plans.

The committee provides oversight for the overall people strategy that supports the execution of the business strategy and the required workforce capabilities. The committee oversees culture and people programs and practices to enable the Company's execution of talent management practices and delivery of a high-quality employee experience aligned to its strategy, values and commitment to diversity and inclusion. It ensures that appropriate mechanisms are in place to identify, assess and manage risks associated with compensation policies and programs. The committee develops, for the Board's approval, and periodically evaluates, policies and programs governing the compensation of members of the Board.

It also monitors human resources and human rights related litigation matters, including current and potential litigation involving the company that is out of the course of ordinary business.

RISK COMMITTEE

The Risk Committee oversees the Co-operator's ERM Program, including risk identification, risk appetite, risk management framework and policies, risk analysis and evaluation, risk monitoring and reporting, and program compliance. Annually, it examines the capital needs in relation its risk profile and recommends minimum internal capital ratios for the approval of the Board of Directors.

The committee oversees the business-continuity planning, corporate insurance and reinsurance programs, earthquake-risk management program, and technology and cyber risk management activities. The committee provides senior management with guidance and advice from a risk perspective on strategic issues and critically assesses the risks associated with material business proposals before their consideration by the full Board of Directors.

The committee fulfils the oversight responsibility of the Board of Directors in relation to the Co-operator's lending and investment programs and provides oversight of the Chief Risk Officer.

SUSTAINABILITY COMMITTEE

The Sustainability Committee assists the Board of Directors in fostering a culture of leading practices in sustainability (often referred to as environmental, social and governance—or "ESG"—responsibility) and providing oversight of the sustainability performance of The Co-operators. The purpose of the committee is to monitor implementation of the Sustainability Policy and of the organization's efforts towards its vision of "being a catalyst for a resilient and sustainable society." This includes monitoring emerging sustainability and climate-related issues, risks and opportunities and advising on the sustainability and resilience components of corporate strategy and stakeholder engagement.

The committee reviews and recommends policies, strategies and priorities to enable the integration of sustainability across the organization. This includes advising on policies, standards and performance of sustainable investing activities, including Impact Investing. The committee advises the Board on the sustainability impacts of key decisions, and monitors and advises on measures to enhance sustainability governance practices at the board.

ASSESSMENT OF PERFORMANCE OF DIRECTORS AND OFFICERS

The board conducts regular performance reviews to assess the effectiveness of the Board of Directors, individual directors, and chairpersons (Chairperson of the Board, Vice-Chairperson of the Board, and Committee Chairpersons), and board committees. The board approves the annual performance goals of the President and CEO and conducts an annual performance review of the President and CEO against the approved annual performance goals and priorities.

BOARD OF DIRECTORS EVALUATION

The board conducts a formal biennial review of the organization's governance performance including the board and board committee performance during each odd numbered calendar year. The review is facilitated by a third-party governance firm resource determined by the Governance & Co-operative Identity Committee to ensure objectivity. The assessments involve the review of relevant governance documentation, as well as a survey and interview of directors and the President and CEO and select members of senior management who regularly attend board and committee meetings.

In 2023 the Governance & Co-operative Identity Committee reviewed the remaining areas of focus from the prior assessment and developed an action plan to prioritize their achievement. In 2023, the Governance & Co-operative Identity Committee also developed a Board Engagement Survey that monitored governance practices and board effectiveness.

BOARD COMMITTEE EVALUATION

The board committee evaluations are conducted in conjunction with the board of directors' evaluation on a biennial basis and is facilitated by an independent third-party governance firm resource determined by the Governance & Co-operative Identity Committee. All directors, the President and CEO and select members of senior management are invited to participate in assessing the effectiveness of the board committees. The results of the committee evaluation are shared with each committee and the board.

In 2023, the Governance & Co-operative Identity Committee developed and monitored a governance assessment action plan to address the remaining areas of focus from the prior board committee and Committee Chairpersons' evaluations.

As a best practice, board committees establish an Annual Workplan to guide the focus of their committee work to achieve their role and responsibilities as set out in their respective Terms of Reference.

INDIVIDUAL DIRECTOR ASSESSMENT

Directors participate in an Individual Director Assessment (IDA) process on a biennial basis of each even numbered calendar year that measures and assesses the contributions and effectiveness of each director with the assistance of an independent third-party governance firm resource. Directors complete a self-assessment and assess the performance of each of their peers.

The President and CEO and select senior management also participate in the IDA process for the purpose of providing feedback on each directors' effectiveness. A confidential summary of the results, including comparison information of high, low and median group scores and qualitative comments, is produced for each director. A copy of each director's report is shared with the Chairperson of the Board to inform a one-on-one discussion about the results of the report and to develop an individual training and development plan to address identified opportunities for improvement.

The IDA process was performed in 2022 and key themes were discussed with the Governance & Co-operative Identity Committee to encourage continuous board and director improvement.

CHAIRPERSON EVALUATION

The biennial Board and Committee Chairpersons evaluation is conducted in conjunction with the IDA process. The Chairperson evaluation considers the role, responsibilities, desired competencies, personal qualities and behaviours for the positions. Individual directors, the President and CEO and select senior management participate in the process for the purpose of providing feedback on the Chairperson and Vice-Chairperson of the Board's effectiveness, however Committee Chairpersons are assessed only by directors serving on and key management resources who support their respective committees.

A confidential summary of the results is produced for the Chairperson of the Board, who discusses their evaluation results with the Governance & Co-operative Identity Committee to consider how the feedback can inform the Chairperson's ongoing effectiveness and training and development. The Vice-Chairperson of the Board and Committee Chairpersons receive feedback relative to their respective Chairperson role as a part of their IDA reports. The Chairperson evaluations were performed in 2022 in conjunction with the IDA process.

CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS

The Company is not aware of any director or executive officer of the Company, that is, or has been in the last ten years, a director, CEO or Chief Financial Officer (CFO) 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, CEO or CFO or (b) after that person ceased to be a director, CEO or CFO and which resulted from an event that occurred while that person was acting as a director, CEO or CFO. Further, the Company is not aware of any 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 that 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, made an arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

The Company is not aware of any 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 that 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, made an arrangement or compromise with creditors or has a receiver, receiver manager or trustee appointed to hold their assets.

DEMOCRATIC STRUCTURE REVIEW (DSR)

At least once every 10 years, the Company's ultimate parent CGL performs a DSR to ensure that its governance structure remains representative of the co-operative sector in Canada and remains relevant in terms of continuing to meet members' needs. This process, led by the Board of Directors, includes extensive member consultation, produces valuable member insights and input, and contributes to the evolution of the Company's democratic governance structure. The sixth and most recent DSR commenced in 2019 and concluded in 2020 with proposed By-law amendments approved by the membership.

AUDIT & FINANCE COMMITTEE INFORMATION

MANDATE

- The Audit & Finance Committee or "the committee" assists the Board of Directors in fulfilling its responsibility for oversight of the quality and integrity of the accounting, auditing, and reporting practices of the company, and such other duties as directed by the Board. The committee's purpose is to oversee the accounting and financial reporting processes of the company, the effectiveness of internal controls and the adequacy of practices for reporting and determining financial reserves, the audits of the company's financial statements, the qualifications of the public accounting firm engaged as the company's external auditor to prepare or issue an audit report on the financial statements of the company, and the performance of the company's internal audit function and independent auditor. The committee also reviews the annual operating plan and critically assesses financial aspects of material business transaction proposals prior to board approval;
- The committee reviews and assesses the qualitative aspects of financial reporting to shareholders and other key stakeholders and ensures compliance with significant applicable legal, ethical, and regulatory requirements. With management and the external auditors, the committee discusses the approach, disclosure and results of discussions with rating agencies. The committee ensures mechanisms are in place to detect, monitor and prevent related party transactions and approves related party transactions according to the provisions of the Insurance Company Act and board approved limits. It also monitors regulatory correspondence and litigation matters, including current and potential litigation involving the company that is out of the course of ordinary business;
- The committee appoints (subject to member approval), compensates, retains, and oversees the external auditor; and
- The committee serves as the Audit & Finance Committee of CGL, CFSL, CGIC, CLIC, Sovereign, and CUMIS General. It fulfills a monitoring role with respect to the other subsidiaries and affiliates within CGL.

RESPONSIBILITIES

The committee shall perform the duties set out in Appendix C. The committee shall perform such other duties as may be necessary or appropriate under applicable law or stock exchange rules; may arise from time to time from business or economic issues; or as may be delegated to the committee by the board from time to time, including such duties as are specified in the Company's Board Mandate Policy, Appendix A.

AUTHORITY

- The Audit & Finance Committee shall have the power to conduct or authorize investigations into any matters within the committee's scope of responsibilities. The committee shall be empowered to retain independent counsel, accountants, or others to assist in the conduct of any investigation. The committee may inquire about any issue it deems necessary in the performance of its duties and the discharge of its responsibilities. The Chairperson of the committee will inform the Chairperson or, as appropriate, the Vice-Chairperson of the Board of Directors whenever such action is taken; and
- The committee may, at its discretion, designate a sub-committee to review any issue raised by the current mandate.

COMPOSITION AND APPOINTMENT

- The Audit & Finance Committee consists of five members of the Board of Directors of CGL. It includes the Chair of the committee along with four other members of the Board of Directors. Members of the committee must meet any other qualifications for Audit & Finance Committee members established by law or by any authority having regulatory power over the Company, including the independence requirements of National Instrument 52-110 and of the Insurance Companies Act (Canada), as amended from time to time;
- Members of the committee will be elected each year at the first meeting of the Board of Directors following the AGM of the Company. The board may appoint members to fill any vacancies that arise during the year. At no time shall the committee comprise fewer than three members;
- The Chairperson of the Audit & Finance Committee will be elected from among board members who have been nominated for the position and hold the qualifications identified in the role of the Chairperson of the Audit & Finance Committee document. These attributes include being independent-minded, able to provide leadership, having no direct or indirect material relationship with the Company, have management experience, financial management training and knowledge of various components of the organization;
- None of the members may be officers or employees of the company or a subsidiary of the company;

- If the Chairperson of the committee is not present at any meeting of the committee, one of the members of the committee who is present at the meeting shall be chosen by the committee to preside at the meeting; and
- In electing other members to the committee, the board will choose people who it believes:
    - Are independent and financially literate within the meaning of the Ontario Securities Commission Multilateral Instrument 52-110;
    - Have an inquiring attitude, objectivity and sound judgement;
    - Possess a general understanding of the Company's business and are prepared to take the necessary instruction and to review the necessary material to deepen that knowledge and understanding; and
    - Are willing to devote the necessary time to becoming familiar with the Company and preparing for and attending meetings.
- Each member of the committee must have the ability to read and understand a set of financial statements that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements:
    - The effectiveness of the committee will be strengthened if at least one member has experience in financial management or accounting; and
    - Members of the committee must declare in a timely manner any relationship to the Company that may interfere or be perceived to interfere with the exercise of their independence from the Company and its management.

CHAIRPERSON

The Chairperson of the committee is charged with the leadership role of overseeing and monitoring the financial well-being of Co-operators group of companies. In this role, the Chairperson leads the Audit & Finance Committee in fulfilling its obligations as required by the organization and the regulators. A complete list of duties and responsibilities is set forth in Co-operators Audit & Finance Committee Terms of Reference.

MEETINGS

- The committee will meet six times each year or more frequently as may be required to fulfill its mandate. Four members of the committee shall constitute a quorum for the transaction of business. The CFO, other members of management and the external and internal auditors will attend meetings of the committee as may be required to provide information and to answer inquiries;
- Meetings are held at the call of the Chairperson of the committee or any member of the committee may call a special meeting of the committee or of the Board of Directors with reasonable notice;
- Notice of each meeting must be given to every member of the committee not less than ten days in advance of the meeting. With the unanimous consent of all members, the notice period may be shortened or waived. Attendance of a director at a meeting of the committee, unless their attendance is to object to the lack of appropriate notice, is deemed to be waiver of notice; and
- The committee will hold regularly scheduled meetings with each of the external and internal auditors at each of its regular meetings and, as necessary, with management. The committee will also meet privately with the Appointed Actuary annually at the meeting where the annual financial statements are approved to discuss these statements and the annual returns filed by the actuary in accordance with the requirements of the Insurance Companies Act (Canada).

ACCESS TO INFORMATION

The committee shall have full access to the Company's records, registries, premises, officers and employees that are necessary in the performance of its duties and the discharge of its responsibilities.

REPORTING TO THE BOARD OF DIRECTORS

- The committee Chairperson is given an opportunity to provide an update at each board of directors meeting;
- The committee will report to the full board of directors of each of the companies for which it serves as the Audit & Finance Committee following each of the committee's meetings, making such recommendations to the board as it deems appropriate; and
- The committee will report annually on its composition and mandate to the members and shareholders of the company through the AIF.

COMMITTEE TRAINING

- A Committee Reference Guide and any other orientation support are made available to new members joining the committee following their election and prior to attending their first committee meeting;
- The committee keeps informed of legislative and regulatory changes, as well as trends in financial reporting, accounting standards, and stock trading exchange rules. It informs the board of such changes or new developments that significantly impact the governance of the organization; and
- The committee will receive education and training as necessary to enable it to fulfill its mandate effectively. Not less than one day per year will be devoted to this activity.

AUDIT & FINANCE COMMITTEE MEMBERS

The five members of the Audit & Finance Committee as of the date of this AIF are all independent and financially literate. Their qualifications and education are outlined below:

Jim Laverick (Chairperson)

Jim Laverick is the chairperson of the Audit & Finance Committee. He previously served as a member of the Special Capital, CEO Search, Risk and Compensation, Executive, and Investment Policy committees. Jim was a delegate to Co-operators representing United Farmers of Alberta (UFA) Co-operative Limited from May 2008 to April 2011.

Jim is Co-operators representative on the Co-operatives and Mutuals Canada board. He was a member of the UFA board of directors from 2008 to 2021, serving as chairperson from 2010 to 2014, and also served as a director of Addenda Capital Inc., one of Co-operators group of companies, the Canadian Co-operative Association, the precursor national apex organization to Co-operatives and Mutuals Canada, and several other co-operative boards.

Jim retired from Co-operators in 2007 as Vice-President, western region. He held a variety of positions of increasing responsibility over his 38-year career with the company. He holds a Chartered Life Underwriter designation.

Phil Baudin

Phil Baudin is a member of the Audit & Finance Committee of the Co-operators, and previously chaired the Compliance and Ethics Committee, the Corporate Governance and Conduct Review Committee, and the Sustainability and Citizenship Committee. He was a delegate to Co-operators representing Modo Co-operative from August 2009 to April 2013.

Phil is on the Addenda Capital Board of Directors, one of Co-operators group of companies, was on the Advisory Board of Sovereign General Insurance for five years and is the Chair of Realize Strategies Co-operative.

Over the course of his business career, Phil held senior management positions at IBM, managed the IT department of a regional bank, was the Chief Operating Officer of a large law firm, and as a consultant developed a national training and coaching program for lawyers and accountants on building client relationships. Prior to his retirement Phil led the turnaround of Modo the Car Co-op as CEO.

Phil has volunteered with community organizations for decades and is a mentor to managers and directors in the community and co-op sector.

He holds a Bachelor of Commerce (Honours) from the University of Manitoba.

Mike Csversko

Mike Csversko is a member of the Audit & Finance and Sustainability Committees. He previously served on the Compliance and Ethics and Corporate Governance and Conduct Review committees. He served as a delegate to Co-operators representing Credit Union Central of Manitoba from May 2019 to April 2021.

Mike is on the board of Credit Union Central of Manitoba, is vice-chair of Westman Communications Group, and is a board member of the Dauphin Regional Airport.

Mike is the Business Development Manager at Fusion Credit Union. For 16 years Mike was a Tim Hortons restaurant owner; for seven of those years, he was the Manitoba director on the Tim Hortons National Advisory Board, representing 96 restaurants and 32 franchisees in the province.

He obtained the Institute of Corporate Directors Designation (ICD.D) as well as the Not-for-Profit ICD designation. He is a Canadian Credit Union Accredited Director and has completed numerous industry and governance courses.

Mike holds a Bachelor of Commerce degree from the University of Manitoba.

Pierre Dorval

Pierre Dorval is a member of the Audit & Finance Committee. He served as a delegate to Co-operators representing Caisse Alliance from July 2017 to April 2021.

Pierre is the President and Chief Executive Officer of Caisse Alliance. He is a member of various boards of directors, including the Board of Governors of the University of Hearst and of the Cooperation Council of Ontario (CCO), with whom he served as vice-chair and chaired several committees. He was a member of the board of directors of the Caisse populaire de Hearst for 13 years, serving as chair of the board for the last 5 years. After his tenure in the private sector as general manager of a large sawmill, Pierre continued his career as general manager of the Caisses populaires of Mattice and Kapuskasing, and later as President and Chief Executive Officer of L'Alliance des caisses populaires de l'Ontario. He then led two of the largest co-operative projects in the history of this group: the merger of the 12 caisses populaires, to later become Caisse populaire Alliance limitée and a conversion of its banking system in 2023. He also participated in the creation of the Co-op grocery store in Moonbeam, Ontario.

Pierre has a Bachelor of Business Administration degree from the University of Hearst and has completed a training program for directors at Laval University.

Christie Stephenson

Christie Stephenson is on the Audit & Finance Committee. She served in the capacities of delegate and/or alternate delegate to Co-operators representing Central 1 Credit Union (Central 1) from August 2021 to April 2023.

Christie is the Executive Director of the Peter P. Dhillon Centre for Business Ethics at the University of British Columbia's Sauder School of Business, where she focuses on environmental, social and governance (ESG) investing and governance. Prior to her current role, she worked at credit union subsidiary NEI Investments (Ethical Funds), during which she spent five years as an advisor on responsible investing to Desjardins, was a contributor to Credit Union Central of Canada's *Scan* magazine and served for five years as member of its national Cooperative Social Responsibility Committee.

Christie is on the Board of Directors of Vancouver City Savings Credit Union (Vancity) and Central 1 Credit Union. She served on the donations policy committee, a board compensation policy task force, and the social audit committee of Metro Credit Union/Alterna Savings and on the governance and conduct review committee of BlueShore Financial.

Christie has also been active in the co-operative movement outside the credit union sector, including serving on the boards of Vancouver's NOW BC Food Cooperative and Toronto's Karma Co-op Food Store and as a mentor in the National Young Co-operators (NYC) Mentorship Program.

Christie is a member of the Climate Governance Experts Network of the Canadian Climate Law Initiative, the Metro Vancouver Zero Emissions Innovation Centre's investment committee, and the British Columbia Securities Commission Corporate Finance Stakeholder Forum, and has served as a judge for both Governance Professionals of Canada's Excellence in Governance Awards and the Chartered Professional Accountants of Canada's Corporate Reporting Awards.

PRE-APPROVAL POLICIES AND PROCEDURES FOR NON-AUDIT SERVICES

While it is recognized that the external auditor may have the necessary skills and expertise to provide non-audit services to Co-operators General, a policy has been designed to ensure that the provision of such non-audit services does not impair the auditor's independence.

TAX SERVICES

It is expected that in normal circumstances the external auditor will be able to provide tax services to Co-operators General without impairing their independence. Accordingly, the Audit & Finance Committee may grant pre-approval to those tax services that have been historically provided by the external auditor and that are consistent with the Chartered Professional Accountants of Ontario (CPAO) rules on auditor independence, provided that the Audit & Finance Committee is satisfied that the service will not impair the auditor's independence.

OTHER SERVICES

The Audit & Finance Committee may grant either specific or general pre-approval to those other services that it believes will not impair the independence of the auditor and that are consistent with the CPAO rules on independence.

Each year the Audit & Finance Committee will determine those services that may be provided over the course of the year by the external auditor and pre-approve those services. The term of any such pre-approval will be 12 months, unless in its decision the committee specifically provides for a different period.

All requests for additional services to be provided by the external auditor will be submitted for pre-approval to the Audit & Finance Committee, if the service fee will exceed $200,000 or if the service relates to Co-operators General. The Chairperson of the Audit & Finance Committee will be notified if the service fee will exceed $100,000. Notwithstanding the individual engagement approval limits, once total non-audit engagement fees are expected to exceed $500,000 in the aggregate for a particular calendar year, specific pre-approval must be obtained, and a revised limit may be established at the committee's discretion.

EXTERNAL AUDITOR SERVICE FEES

Co-operators General's fees paid to PricewaterhouseCoopers LLP relating to services were as follows:

$ amount	2023	2022
Audit fees related to the audit year	**1,719,400**	1,405,000
Audit-related fees related to the audit year[1]	**242,774**	54,198
Other products and fees	**17,600**	16,605
Total	**1,979,774**	1,475,803

[1] Audit-related fees includes fees relating to IFRS 17 project costs amounting to $ 185,324 for the year.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

In accordance with the requirements of applicable Canadian securities legislation, we have included the required information on all forms of compensation paid to persons who were, at December 31, 2023, the President and CEO, the Executive Vice-President Finance and CFO, and one of the most highly compensated executive officers whose total base and incentive bonus was in excess of $150,000 per annum. These executive officers are referred to as the Named Executive Officers (NEOs).

The NEOs and other senior officers are employed and compensated by Co-operators General's ultimate parent, CGL. Under an Inter-company Services Agreement, subsidiaries of CGL, including Co-operators General, pay a management fee to CGL for the services of these senior officers as well as other management and administration services. The Agreement is further discussed under *Material Contracts* section.

Compensation amounts noted in this section are gross amounts paid to NEOs and not directly attributable to services rendered to Co-operators General. Of the total fees charged to CGL's subsidiaries for services rendered by Robert Wesseling and Karen Higgins, 55.0% (2022 – 53.0%, 2021 – 68.8%) was attributed to Co-operators General. For Steven Phillips and Lisa Guglietti, 100% was attributed to Co-operators General and for Emmie Fukuchi 81% was attributable to Co-operators General. Details are provided in the Inter-company Services Agreement discussion under *Material Contracts* section.

Co-operators General's publicly listed shares are preferred shares. The market price of these shares varies primarily with market interest rates, not the performance of the Company, except to the degree that the Company performance affects its credit quality. Because of the nature of its publicly listed shares, Co-operators General does not use shares, share options, or other share-based methods to compensate its senior officers.

COMPENSATION APPROACH

The executive compensation program is aligned with our purpose, vision, values and business strategy and is designed to reward both short-term and long-term performance. The program balances our co-operative nature with the need to be competitive within the external market.

The approach adopted for the compensation program is to pay at market-median for similar positions within insurance, financial services and co-operative companies for executive positions other than the President and CEO. In the case of the President and CEO, depending on the incumbent's experience and achievements, total cash compensation when target performance is achieved will fall between the 40th and 60th percentile of the amount paid for similar positions by competitor insurance companies, financial institutions and co-operatives. Market positioning is determined by conducting benchmark reviews for base salary and incentive pay using publicly available data and data from custom surveys, as required.

The HRC recommends, for the Board of Directors' approval, a guiding philosophy for the compensation of the Company's President and CEO. The President and CEO compensation philosophy is reviewed annually, and as appropriate, the HRC recommends changes to the board.

Annually, the committee recommends for the board's approval:

- Any adjustment to the President and CEO's base salary;
- Strategic initiatives and targets for inclusion in the President and CEO's short-term incentive plan;
- Targets for inclusion in the President and CEO's long-term incentive plan for the following three years; and
- Payments due under the President and CEO's short-term and long-term incentive plans.

At least once every six years, the committee conducts a deliberative and objective review of the President and CEO Compensation Plan. The committee receives best-practice advice on the compensation structure including base salary, annual incentive opportunity, long-term incentive opportunity, perquisites and supplemental benefits including pension. A complete review of the committee's findings is presented to the board. Every three years, the committee benchmarks the President and CEO's target total cash compensation against compensation paid to the President and CEOs of companies with whom the Company competes for talent and recommends to the board any adjustments that may be needed. Assistance from appropriate external experts is engaged for both the 3-year and 6-year reviews.

In 2023, an external market review of the President and CEO's Total Rewards was completed by Wilis Towers Watson to determine competitiveness, using a peer group approved by the Board of Directors and on recommendation of the Human Resources Committee. Recommendations from Willis Towers Watson's review for 2024 and 2025 fiscal year changes were approved by the board of directors.

The President and CEO is responsible for determining the compensation of the executive officers. The HRC retains the right to oversee the compensation of senior management in conjunction with the President and CEO. The following compensation philosophy and principles govern both executive and non-executive compensation.

COMPENSATION PHILOSOPHY

Our ability to recruit, motivate and retain a skilled and productive workforce is critical to realizing Co-operators' purpose and vision. Accordingly, the compensation programs for our executive and non-executive employees will:

- Assist us in attracting and retaining qualified, capable employees;
- Provide employees with market-competitive compensation, including salaries, incentives, benefits and perquisites;
- Promote a pay-for-performance culture that supports our strategic priorities and the achievement of our annual corporate goals;
- Assure the effective alignment of employee compensation with prudent risk-taking;
- Recognize the inherent value of all work performed for Co-operators and the need of all employees to earn a living wage;
- Achieve reasonable internal equity in the compensation of our employees;
- Ensure that employees performing work of equal value are compensated equitably, regardless of gender;
- Facilitate the participation of parents, including primary caregivers, in our workforce;
- Contribute to meeting the healthcare and insurance needs of our employees and their families; and
- Assist in providing financial security to our retired employees.

COMPENSATION PRINCIPLES

The compensation philosophy above gives rise to the following principles, which will underpin the compensation plans of all employees:

Compensation is market-competitive:

- Our Total Rewards Program should serve to attract and retain a suitably talented and diverse workforce in each geographic region in which we have employees; and
- To ensure that we can compete effectively with other employers for talent, total fixed and variable compensation for an employee at the job rate, when personal and company performance targets are met, should be comparable to the median market compensation rate for their role.

Pay is tied to performance:

- Superior performance should draw superior rewards and below-target performance lower rewards;
- Employees' personal performance goals should promote agility, innovation and excellence in performance;
- Real growth over time in an employee's base salary in a given role should be commensurate with the employee's performance in that role;
- For most employees, achievement of their personal performance goals, the success of their business unit and Co-operators' annual financial results should all affect their variable compensation;
- For executive employees, a significant share of their compensation should be at risk and should depend, as appropriate, on short- and long-term business-unit or company-wide financial results; and
- For non-executive employees, the share of pay linked to business results should be commensurate with their influence over those results, providing a more stable compensation opportunity aligned with the employee's role and personal contribution to Co-operators' success.

Performance rewards are risk-aligned:

- Employees' performance goals should not encourage excessive risk taking and all employee compensation plans should be appropriately sensitive to risk outcomes;
- Employees' annual variable compensation should decline or disappear in the event of poor total-company performance; and
- Subject only to tax rules governing deferred compensation, a significant share of the variable compensation of executive employees should be provided through long-term incentive plans that measure results over a time horizon that aligns with the time horizon of the company's risks.

The independence of control functions is protected:

- Our compensation practices should ensure the independence of employees engaged in financial- and risk-control functions.

Compensation and benefits are fair and equitable:

- Compensation policies and procedures should be designed and applied without bias or discrimination, in a consistent and equitable manner consonant with our co-operative principles and values; and
- Parental- and family-leave programs should promote the participation of parents in Co-operators' workforce and the sharing of family responsibilities between men and women.

Compensation and benefits promote the wellbeing and financial security of our employees:

- Our compensation programs should recognize the inherent value of all work performed for Co-operators and the need of all employees to earn a living wage;
- Our benefit programs should assist employees and their families in meeting their health-care, financial-security and wellness needs affordably; and
- Our pension plan should assist our employees in providing for themselves and their dependents after their retirement from the workforce.

Compensation and benefits are financially sustainable:

- The cost and other features of our employee compensation and benefit programs should never put Co-operators' financial sustainability at risk.

COMPENSATION PRACTICES

The following describes the different executive compensation plan components that together provide compensation that reflects the company's compensation philosophy:

1. Base Salary - market-competitive fixed rate of pay to attract and retain executives with the experience, competencies and skills required to achieve strategic and organizational goals.
2. Short-term Incentive Plan (STIP) - annual cash award established as a percentage of base salary or eligible earnings and paid based on achievement of annual targets. The plan motivates executives to achieve superior short-term organizational and individual performance through corporate, home company and individual goals.
3. Long-term Incentive Plan (LTIP) - cash award established as a percentage of base salary or eligible earnings and paid based on our success in achieving long-term targets (vested over a period of three years). The plan incorporates financial and market performance, as well as a more holistic assessment of the health of the organization through stakeholder transformation and sustainability.
4. Pension Plan - the pension plan is designed to provide the NEOs with a competitive retirement income, in order to attract and retain executives with the experience, competencies and skills required to achieve strategic and organizational goals.

ORGANIZATION CULTURE AND BENCHMARKING

Co-operators is an organization that takes a conservative approach to pay. We provide financial security to our employees through our compensation programs and pension plans as well as protection for their health and well-being through our group benefits plans. Pay is one component of the employee value proposition. Our approach is to benchmark against insurance companies for core insurance roles including management and support roles and to benchmark against all industries for non-core insurance roles.

BASE SALARY

The Company has adopted a traditional pay-for-performance system, adjusting salaries over time in accordance with changes to its salary ranges and with individual performance. For executives other than the President and CEO, salary ranges are designed such that a successful performer meets the market-median with high performers having an opportunity to exceed the market-median. In the case of the President and CEO, base salary is viewed as a component of the total compensation package as discussed in the Compensation Philosophy section above. When determining base salaries, the goal is to keep the Company from underpaying and risk losing talent to competitors and from overpaying. An individual's actual position in the salary range is based on the individual's contributions and performance. Salary increases are linked to our performance management system and measurable outcomes of individual and organizational contribution and performance. Movement within a salary range is the result of an assessment of contributions, performance, skills, competencies and potential. These assessments will normally take place once a year.

BENCHMARKING

Multiple surveys are completed on a regular basis and analyzed for base salary and incentive-pay purposes. The data to benchmark against are available, stable and comparable to our industry. Comparator organizations for benchmarking include insurance and financial services industry participants with operations in Canada that are reasonably similar in size, as measured by revenue. In addition, for the President and CEO, the comparator group includes large Canadian co-operatives. We review our benchmark positions from time to time to ensure we maintain our competitive position in the market.

Regular surveys that we participate in within the insurance, financial services and co-operative industries for the President and CEO and NEOs are:

Aviva Canada, Inc.	Intact Financial
Beneva Inc.	Laurentian Bank of Canada
Canadian Western Bank	Manulife Financial Corporation
Coast Capital Savings Federated Credit Union	Meridian Credit Union Limited
Definity Financial Corporation	Munich Reinsurance Company of Canada
Desjardins Financial Security Life Assurance Company	National Bank of Canada
Desjardins General Insurance Group	RBC Life Insurance Company
Fairfax Financial Holding Ltd.	TD Insurance Inc.
Foresters Financial Services Inc.	The Empire Life Insurance Company
Great West Life	Vancouver City Savings Credit Union
iA Financial Corporation	Wawanesa Mutual Insurance Company

COMPENSATION GOVERNANCE

The HRC acts on behalf of the board for compensation matters. For a list of the independent HRC members refer to *Corporate Governance* Section.

The Company's Group Employee Compensation Policy was approved by the board in late 2019, with most recent updates made in 2023. Included in the policy are guiding principles and roles and responsibilities of various parties. Annually, the EVP, Chief Human Resources Officer provides a report to the HRC assessing:

- The compliance of Co-operators' compensation practices with the policy;
- The degree of alignment of compensation outcomes with the philosophy and principles set out in the policy;
- The effectiveness of compensation practices in ensuring prudent risk-taking by employees;
- The alignment of compensation practices with the recommendations of the Canadian Coalition for Good Governance, the governance guidelines of the Office of the Superintendent of Financial Institutions, and the principles for sound compensation published by the Financial Stability Board;
- Whether there is a gender pay gap within Co-operators and the factors contributing to that gap; and
- The extent to which our compensation practices achieve internal equity within Co-operators' workforce.

SUMMARY OF COMPENSATION

Name and principal position	Year	Salary[1] $	Non-equity incentive plan compensation[2]: Short-term incentive plans $	Long-term incentive plans $	Total incentive plans $	Pension value $	Total[3] $
Robert Wesseling President and Chief Executive Officer[4]	2023	680,000	734,161	620,446	1,354,607	38,333	2,072,940
	2022	677,469	600,178	565,947	1,166,125	640,000	2,483,594
	2021	652,154	485,365	732,420	1,217,785	(1,372)	1,868,567
Karen Higgins Executive Vice-President, Finance and Chief Financial Officer	2023	425,497	200,264	182,697	382,961	101,833	910,291
	2022	404,694	200,770	179,685	380,455	196,200	981,349
	2021	403,358	194,025	243,271	437,296	394,028	1,234,682
Steven Phillips Executive Vice-President and Chief Operating Officer, Sovereign	2023	430,218	182,536	184,725	367,261	98,733	896,212
	2022	413,154	228,617	183,441	412,058	130,400	955,612
	2021	398,597	262,287	253,508	515,795	164,728	1,079,120
Lisa Guglietti Executive Vice-President and Chief Operating Officer, P&C Manufacturing	2023	433,450	193,771	186,112	379,884	86,533	899,867
	2022	410,321	210,887	182,182	393,069	293,800	1,097,190
	2021	383,281	213,615	243,767	457,382	447,528	1,288,191
Emmie Fukuchi Executive Vice-President and Chief Digital & Marketing Officer	2023	427,618	223,156	183,608	406,764	87,733	922,115
	2022	418,000	221,697	183,440	405,137	128,300	951,437
	2021	400,000	236,101	253,041	489,142	178,228	1,067,370

[1] Salary represents the amount paid in the year.

[2] Incentive plan compensation represents amounts earned in the year and paid in a subsequent year.

[3] NEOs are not compensated using either share-based or option-based awards.

[4] The President and CEO is not compensated for services as a director.

INCENTIVE PLAN AWARDS

SHORT-TERM INCENTIVE PLAN

For all NEO's, the STIP is based on a 30% weighting for earnings measures, a 30% weighting for growth measures and a 40% weighting for strategic initiatives. Strategic and other individual goals are determined annually with the President and CEO for the Executive Officers' plans, or with the Board of Directors for the President and CEO's plan.

The following summarizes the measures and the weighting for the NEOs' STIP:

Measures	Robert Wesseling	Karen Higgins	Steven Phillips	Lisa Guglietti	Emmie Fukuchi
Earnings					
CGL net income after-tax compared to annual plan	10.00%	10.00%	6.70%	6.70%	6.70%
CGL core earnings compared to annual plan	20.00%	20.00%	13.30%	13.30%	13.30%
CGIC and certain subsidiaries and affiliates core earnings compared to annual plan	-	-	10.00%	10.00%	10.00%
Total earnings measures	30.00%	30.00%	30.00%	30.00%	30.00%
Growth					
CGL revenue growth compared to annual plan	15.00%	20.00%	10.00%	10.00%	10.00%
CLIC retail wealth assets under management and administration growth compared to annual plan	3.75%	2.00%	2.00%	2.00%	2.00%
Advisor client growth compared to annual plan	3.75%	2.00%	2.00%	2.00%	2.00%
CGL revenue excluding private passenger auto growth compared to annual plan	3.75%	2.00%	2.00%	2.00%	2.00%
Advisor revenue excluding private passenger auto growth compared to annual plan	-	2.00%	2.00%	2.00%	2.00%
Co-operative business volume growth compared to annual plan	3.75%	2.00%	2.00%	2.00%	2.00%
CGIC and certain subsidiaries and affiliates revenue growth compared to annual plan	-	-	10.00%	10.00%	10.00%
Total growth measures	30.00%	30.00%	30.00%	30.00%	30.00%
Strategic measures					
Strategic initiatives and other individual goals	40.00%	40.00%	40.00%	40.00%	40.00%
Total strategic and other goals measures	40.00%	40.00%	40.00%	40.00%	40.00%

The STIP provides a target opportunity of 100% of base salary for the President and CEO and 40% of eligible earnings for Executive Officers. The President and CEO and Executive Officers can earn up to two times the target STIP amount based on over performance against the objectives. Similarly, a sliding scale is used when calculating the STIP in underperforming years. All amounts are paid annually in cash, subject to board approval.

The 2023 STIP payout ranges as a percentage of base salary for the President and CEO and eligible earnings for Executive Officers were as follows:

	STIP payout ranges		
Name	Minimum	Target	Maximum
Robert Wesseling	0%	100%	200%
Karen Higgins	0%	40%	80%
Steven Phillips	0%	40%	80%
Lisa Guglietti	0%	40%	80%
Emmie Fukuchi	0%	40%	80%

The following table provides the STIP payout for each NEO based on 2023 results. The awards are paid in 2024 as a one-time sum:

Name	2023 STIP target[1] $	2023 STIP company financial result[2] %	2023 STIP performance (60% financial 40% non-financial) %	2023 total STIP payout[3] $
Robert Wesseling	680,000	97.4	108.0	734,161
Karen Higgins	170,199	94.8	117.7	200,264
Steven Phillips	172,087	104.5	106.1	182,536
Lisa Guglietti	173,380	94.8	111.8	193,771
Emmie Fukuchi	171,047	94.8	130.5	223,156

[1] The President and CEO's STIP target is calculated as base salary per his employment contract times the target percentage. For all other NEO's, the 2023 target is calculated based on the 2023 eligible earnings times the target percentage. Eligible earnings includes: regular base pay, retroactive pay, premium pay, vacation payments on overtime and on-call, and paid time-off earnings.

[2] The Company financial result percentage is dependent on the individual's involvement with specific companies within CGL as well as CGL's consolidated results.

[3] Total STIP payout is the result of the STIP target multiplied by STIP performance.

LONG-TERM INCENTIVE PLAN

The LTIP awards are determined based on the following allocations:

Factors	Weight
1 - Retained earnings growth[1]	35%
2 - Employee engagement[2]	20%
3 - CGL member engagement[3]	15%
4 - Market share growth[4]	30%
Total financial measures	100%

[1] CGL retained earnings growth over a three year period.

[2] CGL combined employee engagement score averaged over a three year period. In a year which the company does not calculate employee engagement, only two years are used in the average.

[3] CGL member engagement is determined over a three year period. During periods in which one survey is completed, only one score is used. For the periods during which two surveys are completed, an average score is used.

[4] Market share growth is is either over a three year period or year-over-year growth for CGL's P&C Operations' direct written premium and certain CLIC product lines.

The awards paid are determined with reference to actual results compared to planned performance and are not based on subjective performance assessments.

The President and CEO's LTIP provides an opportunity at target performance of 85% (2022 – 75%, 2021 - 75%) of base salary. Other NEOs can earn LTIP payouts of up to 40% (2022 – 40%, 2021 - 40%) of eligible earnings. The President and CEO and Executive Officers can earn up to two times the target LTIP amount if they overperform against the objectives. LTIP metrics are approved by the board of directors and all amounts are paid annually in cash.

The following table provides the LTIP payout for each NEO based on 2023 results. The awards are paid in 2024 as a one-time sum:

Name	2023 LTIP target[1]	2023 LTIP performance	2023 total LTIP payout
	$	%	$
Robert Wesseling	578,000	107.3	620,446
Karen Higgins	170,199	107.3	182,697
Steven Phillips	172,087	107.3	184,725
Lisa Guglietti	173,380	107.3	186,112
Emmie Fukuchi	171,047	107.3	183,608

[1] The President and CEO's LTIP target is calculated as base salary times the target percentage. For all other NEOs, the 2023 target is calculated based on the 2023 eligible earnings times the target percentage.

BENEFITS AND PERQUISITES

The NEOs receive the same group health coverage, such as medical, dental, group life insurance and disability income replacement coverage, as extended to all staff, as well as other benefits normally commensurate with their position such as executive medical exams.

PENSION PLAN BENEFITS

Pension plans for the NEOs comprise the defined contribution plan provided to all employees and a Supplementary Executive Retirement Plan (SERP), which is a defined benefit plan that tops-up the defined contribution plan to a calculated amount based on years of service and earnings. The top-up is equal to the difference between the retirement benefit received under the defined contribution plan and 2 per cent of the NEO's final average earnings times credited years of service, to a maximum of 35 years. If retirement occurs after age 55 but before age 60, the amount is reduced by 5 per cent for each year prior to 60. Final average earnings for an eligible person are equal to their average base salary over their highest earning 36 consecutive calendar months in their last ten years of pensionable service.

DEFINED BENEFIT PLAN AND DEFINED CONTRIBUTION PLAN TOP-UP

Below are the tables describing the defined benefit plan and the defined contribution plan top-up:

Name	Number of years of credited service	Annual benefits payable[5]		Opening present value of defined benefit obligation[1]	Compensatory change[2]	Non-compensatory change[3]	Closing present value of defined benefit obligation[4]
		At year end	At age 65				
	#	$	$	$	$	$	$
Robert Wesseling	26.9	241,070	272,861	3,281,500	20,800	243,300	3,545,600
Karen Higgins	15.8	76,322	113,189	1,003,700	84,300	61,500	1,149,500
Steven Phillips	7.0	39,836	79,125	444,700	81,200	33,100	559,000
Lisa Guglietti	26.0	101,629	71,200	1,213,400	69,000	70,300	1,352,700
Emmie Fukuchi	5.0	26,340	90,715	269,100	70,200	27,200	366,500

[1] The accrued obligation at the start of the year is the value of the projected pension earned for service to December 31, 2022. The values have been determined on the 2022 actual earnings adjusted to reflect expected increases in pensionable earnings using the same actuarial assumptions used for determining the pension plan obligation at December 31, 2023. See the chart below for both 2022 and 2023 assumptions.

[2] Compensatory change includes the NEO's service cost, plus plan changes as well as differences between actual and estimated earnings. It excludes contributions to the defined contribution plan.

[3] Non-compensatory change includes the impact of interest on the present value of the defined benefit obligation at the start of the year, experience gains or losses and the impact of contributions to the defined contribution plan.

[4] The present value of the defined obligation at the end of the year is the value of the projected pension earned for service to December 31, 2023. The values have been determined based on the 2023 actual earnings adjusted to reflect expected increases in pensionable earnings, using the same actuarial assumptions used for determining the pension plan obligation at December 31, 2023. See the below chart for both 2022 and 2023 assumptions.

[5] Amounts represent top-up payments.

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics.

Significant assumptions for NEOs' SERP	2023	2022
Accrued benefit obligation as of December 31		
Discount rate	4.75%	5.00%
Assumed rate of salary escalation	2.50%	2.50%
Mortality		
Retiring at the end of the reporting period:		
- Average life expectancy for male retiring at age 65	23.5	23.4
- Average life expectancy for female retiring at age 65	25.3	25.3
Retiring 20 years after the end of the reporting period:		
- Average life expectancy for male retiring at age 65	24.5	24.4
- Average life expectancy for female retiring at age 65	26.3	26.2

Measurement uncertainty exists in valuing the components of the SERP. Each assumption is determined by management based on current market conditions and experiential information available at the time; however, the long-term nature of the exposure and future fluctuations in the actual results make the valuation uncertain.

DEFINED CONTRIBUTION PLAN

Name	Accumulated value at start of year $	Compensatory[1] $	Accumulated value at year end[2] $
Robert Wesseling	1,102,767	17,533	1,301,986
Karen Higgins	596,606	17,533	715,253
Steven Phillips	187,191	17,533	246,349
Lisa Guglietti	1,011,407	17,533	1,196,751
Emmie Fukuchi	123,664	17,533	175,332

[1] Compensatory includes employer contributions and above-market or preferential earnings credited on employer and employee contributions. Above-market or preferential earnings applies to non-registered plans and means a rate greater than the rate ordinarily paid by the CGL or its subsidiaries on securities or other obligations having the same or similar features issued to third parties; the company does not provide NEOs with such benefits.

[2] Accumulated value at year end is determined by the sum of accumulated value at start of year, compensatory and non-compensatory amounts such as employee contributions.

TERMINATION AND CHANGE OF CONTROL BENEFITS

CGL and the President and CEO entered into an employment contract, effective December 1, 2016.

The employment contract commits control and management of CGL and its subsidiaries to the President and CEO. The compensation of the President and CEO is disclosed above. The employment contract also specifies a termination allowance equal to two times annual base salary, if the President and CEO is terminated without cause.

The President and CEO has the right on a change of control to treat it as a without cause termination.

There are no employment contracts or change of control provisions in place for any other NEOs.

DIRECTOR COMPENSATION

Compensation of directors is disclosed under the section *Corporate Governance – Director Compensation*.

ADDITIONAL INFORMATION

Additional information about Co-operators General may be found on www.sedarplus.com including the 2023 MD&A and the 2023 audited annual consolidated financial statements.

APPENDIX A

BOARD MANDATE POLICY

The Board of Directors of Co-operators is responsible for setting the broad direction of Co-operators by:

- Participating in developing and giving final approval to the core values and purpose of the Company and monitoring performance;
- Approving the process for selecting the President and CEO and actually appointing the President and CEO and Secretary; and
- Representing the Company to a variety of external constituencies.

The Board of Directors of Co-operators is responsible for:

- Ensuring the financial viability of the Company;
- Ensuring that the Company is a good corporate citizen;
- Ensuring that the Company maintains a leadership role within the Insurance Industry;
- Ensuring that the Company provides a leadership role in the co-operative movement;
- Monitoring the operations of Co-operators;
- Regularly reviewing the work of the Board and its committees; and
- Communicating with member organizations, policyholders, management, regional committees, corporate secretaries of members, other co-operatives, industry and government.

The Board of Directors of Co-operators communicates with and receives feedback from members, shareholders, policyholders, staff, management and other interested persons at or by virtue of:

- Annual or special general meetings of the companies;
- Regional committee meetings;
- Community Advisory Panel Meetings;
- The annual report by the Human Resources Vice-President to the Board as well as other management reports;
- Meetings of shareholders and policyholders;
- The Company's Resolution Process;
- Participation where appropriate in industry advisory bodies, groups or organizations;
- Communications from the Office of the Superintendent of Financial Institutions for Canada and other regulatory bodies or officials; and
- Membership in the Co-operatives and Mutuals Canada, provincial cooperative associations, the International Co-operative and Mutual Insurance Federation and its affiliated or related organizations.

The Board of Directors of Co-operators (the Company) acknowledges responsibility for the stewardship of the Company, including:

1. Responsibility for:

   (a) To the extent feasible, satisfying itself as to the integrity of the President and CEO and other Senior Managers within the group of companies and that the President and CEO and other Senior Managers create a culture of integrity throughout the organization;
   (b) Adopting a strategic plan and a planning process which involves a four year plan which is reviewed and approved at least annually and takes into account, among other things, the risks and opportunities of the Company;
   (c) The identification of the principal risks of the Company's business, and ensuring the implementation of appropriate systems to manage these risks;
   (d) Succession planning;
   (e) Adopting a communications policy for the Company;
   (f) The Company's internal control and management information systems; and,
   (g) Developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines that are specifically applicable to the Company.

2. Responsibility to act on behalf of the members of Co-operators and in the interests of the users of its services, including on behalf of the shareholders and policyholders and staff of the Company and to direct the Company's activities in order to help attain its corporate purpose; and

3. Responsibility to meet the Company's legal obligations and responsibilities.

The Company, its members, shareholders and policyholders expect Directors sitting on the Board of Directors of Co-operators to:

- Regularly and diligently attend Board meetings unless incapacitated or for other good reason they are not able to attend;
- Read, and through more formal study, become familiar with the Company and the industry;
- Be aware of and familiar with their responsibilities as directors under the Insurance Companies Act (Canada) and provincial insurance companies act as well as any other relevant or applicable legislation;
- Serve on board committees and to represent Co-operators in other organizations;
- Participate in board discussions and decision-making, keeping in mind the welfare of the respective organizations, members and shareholders, as the case may be, and those whom they serve including co-operatives, credit unions, shareholders and policyholders;
- Analyze operational and financial reports, seek pertinent information and ask discerning questions;
- Be alert to the need for new services and products and to monitor environmental change;
- Provide an avenue that policyholders may follow to communicate suggestions and/or concerns;
- Act in a manner which recognizes that a director has no power in their own right, other than acting as a reasonably diligent director would in discharging their fiduciary duty to the Company and other than as may be vested in him or her by resolution of the board;
- Participate in delegate orientation;
- Share the responsibility of the board with respect to communicating with members, shareholders and policyholders;
- Be accountable to delegates in the region from which the director was elected;
- Be accountable to all members in the region from which the director was elected;
- Represent Co-operators Board in that region; and
- Where applicable to act as a policyholder director and with a view to representing the best interests of said policyholders.

APPENDIX B

Human Resources Committee Terms of Reference

1.1. Responsibilities:

The HRC shall perform the duties set out in these Terms of Reference and shall perform such other duties as may be necessary or appropriate under applicable law or regulatory requirements; may arise from time to time from business or economic issues; or as may be delegated to the committee by the board from time to time in alignment to the Board Mandate.

1.2. Compensation of Directors

- The committee recommends, for the Board of Directors' approval, a guiding philosophy for the compensation of the Chairpersons and members of the Board.
- The committee stays abreast of compensation trends and regularly reviews the Company's Board compensation philosophy and compensation levels against those trends, recommending changes as necessary.

1.3. Employee Compensation and Executive Performance

The committee oversees the Company's employee compensation framework, principles and practices. Its specific duties include the following:

a) Employee Compensation Programs
   i. The committee receives information and reports from management on the design and operation of compensation programs for employees, satisfying itself that the Company's compensation practices are fair and equitable, serve to attract and retain a talented workforce, reward performance and discourage inappropriate risk taking.
   ii. Through surveys of compensation practices of other comparable organizations and consultations with appropriate advisers, the committee periodically evaluates the Company's employee compensation policies and practices to ensure that they are competitive, provide appropriate motivation for the achievement of the Company's goals and ensure an effective alignment of compensation with prudent risk taking.

b) Executive Compensation:
   The committee recommends to the Board a guiding philosophy for the compensation of the Company's President and CEO and other senior executives.

c) Executive Performance:
   The committee receives an annual report from the President and CEO on the performance of the Company's senior management team.

1.4. Talent Management and Succession Planning

The committee receives an annual report from the President and CEO on the talent pipeline within the company, the development of senior management talent and the succession plans and processes in place for the President and CEO and key management positions. Through discussion with the President and CEO, it satisfies itself that the plans are sufficient to ensure that temporary replacements will be available when needed and that a pool of diverse, qualified candidates exists for consideration for permanent management appointments. The committee reports the results of its annual review to the Board of Directors.

1.5. Pension Plan

On behalf of the Board of Directors, the committee provides oversight of the Company's responsibilities as Sponsor of The Co-operators and CUMIS Retirement Plans.

- Receives and reviews semi-annual and annual reports from management on the Retirement Plans;
- Reviews and approves structural changes to the Retirement Plans and changes to the Plans text;
- Periodically reviews pension-related policies, recommending changes to the Board as necessary; and
- Reviews and advises the Board on any recommendations the Pension Trustees may make that require Board approval.

1.6. Organizational Culture

The committee oversees organizational culture through reporting that exemplifies the Company's ability to offer an employee experience that is aligned to its mission, vision, values and strategy and inclusion, diversity, equity and accessibility goals, such as reporting on the organization's ability to recruit, develop and retain talent, workforce composition, and employee engagement.

1.7. Oversight of the CEO

The committee supports the Board of Directors in overseeing the CEO.

a) Terms of Employment:
The Committee recommends to the Board initial terms of employment of the President and CEO, including job responsibilities, perquisites, fixed and variable compensation, and benefits, and revisions to these terms as may be appropriate from time to time.

b) Authority:
As advisable, the committee develops and recommends, for the Board's approval, any arrangements that may be necessary with the President and CEO respecting termination, severance, a change in control of the Company or similar matters. The committee reviews recommendations from the CEO respecting change-in-control arrangements with the CEO's direct reports.

c) Compensation and Performance Management:
- The committee contributes to setting annual goals of the President and CEO;
- The committee directs and oversees the President and CEO's annual performance review and, upon consideration of the results, recommends the CEO's annual bonus and long-term incentive award to the Board for approval; and
- The committee recommends, for the Board's approval, periodic adjustments to the President and CEO's base salary and performance goals for inclusion in their short- and long-term incentive plans.

1.8. Reporting

The committee reviews the board and executive compensation disclosures contained in Co-operators General Insurance Company's Annual Information Form.

It also receives periodic reports from management on current and potential human resources and human rights related litigation involving the company that is out of the course of ordinary business.

APPENDIX C

AUDIT & FINANCE COMMITTEE RESPONSIBILITIES

1.9. Financial Reporting

a) The Audit & Finance Committee ("the committee") will review with management and the external auditors:

i. The appropriateness of the Company's accounting and financial reporting;
ii. The financial performance of the operations, including drivers of variances from plan;
iii. Any significant changes to the Company's accounting and financial reporting as such changes are recommended by management or the external auditors;
iv. The accounting treatment and financial performance impacts of significant issues, risks and uncertainties or significant business developments;
v. Any material with relevant proposed changes in accounting standards, policies or regulations;
vi. Key estimates and judgements of management that may be material to the Company's financial reporting;
vii. Significant auditing and financial reporting issues discussed during the fiscal period and the method of resolution;
viii. The approach and nature of financial information to be disclosed to rating agencies at least once a year; and
ix. The report of the Company's disclosure committee.

b) Before the following information is disclosed to the public or regulators, as applicable. The committee will review and discuss with management and the external auditors and approve, or, if appropriate, recommend for approval by the board:

i. The annual audited consolidated financial statements, together with the report of the external auditors and the Appointed Actuary, of the appropriate companies of CGL ("Co-operators" or "the Company");
ii. The annual Management Discussion and Analysis and certifications provided by the CEO and CFO for Co-operators General Insurance Company;
iii. The annual earnings press release for Co-operators General Insurance Company;
iv. The interim unaudited financial statements of Co-operators General Insurance Company and accompanying Management Discussion and Analysis and earnings press release;
v. Other returns of the Company as the Office of Superintendent of Financial Institutions for Canada (OSFI) may specify;
vi. Any offering memorandum, prospectuses and registration statements; and
vii. Review and recommend for approval the Company's disclosure policy and the disclosure controls that have been adopted by the Company to confirm that material information about the Company, which is required to be disclosed under applicable law or stock exchange rules, is disclosed on a timely basis.

1.10. Other Reporting

d) In addition to financial reporting, the committee will also be responsible for other reporting. Specifically, the committee will:

i. Review legal and regulatory matters that may have a material effect on the financial statements, related Company financial compliance policies and programs, and reports received from regulators;
ii. Receive other financial reporting and impact analysis as required in special circumstances;
iii. Review the Company's Annual Operating Plan;
iv. Receive periodic reports from management on current and potential litigation involving the Company that is out of the course of ordinary business;
v. Receive periodic reports from management on the valuation of investments, goodwill and intangible assets;
vi. Review all external actuarial peer reviews of the Appointed Actuary's Report prepared by external actuary. Approve external actuary engaged to perform peer reviews;
vii. Receive and approve the Annual Information Form;

viii. Critically assess material Corporate Development business proposals from a financial perspective. These proposals may include but are not limited to mergers, acquisitions, divestitures, capital restructurings, prospective public offerings, major capital expenditures or commitments, long-term contractual agreements and other like matters. Any binding action to affect a material transaction requires the prior approval of the full Board of Directors;
ix. Receive the annual reports of the Appointed Actuary and statutory returns prepared by him/her; and
x. Receive a quarterly sustainability update from the Audit & Finance Committee member that sits on the Sustainability Committee
xi. Receive other ad hoc financial reporting updates where requested by the committee.

1.11. Internal Controls

a) In overseeing the Company's internal control procedures and management's reporting on them, the committee will:

i. Require the management of the Company to design, implement and maintain appropriate internal control procedures (including controls related to the prevention, identification and detection of fraud);
ii. Review, evaluate and approve the procedures noted above;
iii. As required, meet with the Vice-President, Audit Services, and other members of management as required to discuss the effectiveness of the Company's internal control procedures and the status of identified control weaknesses;
iv. Review the adequacy and management's assessment of the operating effectiveness of the Company's internal controls over financial reporting contained in the interim and annual filings under applicable securities laws, as well as any public disclosures of financial information extracted or derived from the Company's financial statements;
v. Review certification on the design and evaluation of internal control over financial reporting required under applicable securities laws;
vi. Review reports from management and the Vice-President, Audit Services regarding any significant deficiencies and material weaknesses that may exist in the operation of the Company's internal controls over financial reporting, which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information. Any fraud involving management or other employees who have a significant role in the Company's internal controls, and any significant changes in internal control over financial reporting that are disclosed in regulatory filings;
vii. Review management's recommendations for rectifying such deficiencies and weaknesses and review, as appropriate, the implementation of such recommendations;
viii. Review, as required, correspondence relating to inquiries or investigation by regulators concerning internal controls;
ix. Review management's assurance reporting that controls and procedures are in place, which confirms that the Company is in compliance with certain regulations and policies as described, and has appropriately filed documents and remitted amounts as required;
x. Review such investments and transactions that could adversely affect the well-being of the Company as the auditor or any officer of the Company may bring to the attention of the committee; and
xi. Ensure procedures are established for the receipt and retention of complaints, and reasonable attempts to resolve such complaints, as received by the Company regarding accounting, internal accounting controls, or auditing matters and the confidential and anonymous submission from employees of the Company with respecting to accounting, auditing or internal control matters.

1.12. External Auditors

a) The committee shall evaluate and be responsible for the Company's relationship with the external auditors, including an assessment of its independence. Specifically, the committee will:

i. Review and propose the approval of the appointment, reappointment, or removal of the external auditor of the Company to the Board of Directors, members, shareholders and policyholders. In a year where the external audit is sent to proposal, the Audit & Finance Committee will play an active role in reviewing all audit firm proposals and will have the full and final responsibility for the selection of the external audit firm. The committee will also agree to the scope and terms of the audit engagement and review and recommend for approval by the Board the engagement letter and remuneration of the external auditor;
ii. Periodically assess the external auditor's continuing performance and qualifications;

iii. Perform a formal assessment of the external audit engagement at least once every five years;
iv. Review the terms of the external auditor engagement, the annual audit plan and the appropriateness and reasonableness of the proposed audit fees and make recommendations to the board as appropriate;
v. Satisfy itself that the audit plan is risk-based and covers all relevant activities over an appropriate cycle and that the work of the external and internal auditors is coordinated;
vi. Review the scope and results of the audit conducted by the external auditors with the external auditors, the Vice-President, Audit Services and management, including:
    - The degree of co-operation the external auditors received from management; any problems experienced by the external auditors in conducting the audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;
    - The existence of problems or potential problems related to accounting and/or auditing matters and any accounting errors;
    - The appropriateness and quality of all critical accounting policies and practices used by the Company and the selection of new policies and practices (including those policies for which management is required to exercise discretion or judgement); and
    - Any alternative treatments of financial information that have been discussed with management, the ramifications of their use and the external auditors' preferred treatment, as well as any other material communications with management.
vii. Meet regularly with the external auditors without management present to review and ask the external auditors to report on any audit problems and difficulties, including any significant disagreements, unresolved issues as well as management's response thereto and consultations with management, as well as any other matters the external auditors believe the committee should be aware of in order to exercise its responsibilities;
viii. Oversee the resolution of any disagreements between the external auditors and management;
ix. Review all material correspondence between the external auditors and management related to audit findings;
x. Evaluate the external auditors' audit performance, considering management's evaluation of such performance;
xi. Review the reports of the external auditors;
xii. Establish criteria for the types of non-audit services that an external auditor can and cannot provide, including rules stipulating when advance approval by the Audit & Finance Committee is required for new contracts and annually review the procedures for approval of non-audit services by external auditors;
xiii. Pre-approve non-audit related services to be provided by the external auditor and consider proposals for specific non-audit assignments as required by the Procedures for Approval of Audit and Non-Audit Services by External Auditors;
xiv. Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the Company;
xv. Require the external auditors to confirm annually, in writing, that they are independent in accordance with applicable independence rules; and
xvi. Evaluate any concerns raised by OSFI or other stakeholders about the external auditors' independence. The committee shall be notified of the concerns the Company receives from its stakeholders, review the basis for the concerns and, in consultation with the external auditors and senior management, determine whether action is required to address them. The committee will oversee the implementation of any remediation plans.

1.13. Internal Auditors

a) In overseeing the internal audit function, the committee will:

i. Review periodically the internal audit charter, audit coverage and organizational structure of the internal audit function and, if appropriate, recommend changes;
ii. Review the performance of the Vice-President, Audit Services and provide input into annual performance assessment;
iii. Review and approve the annual performance objectives of the Vice-President, Audit Services;
iv. Review and approve the planned areas of audit focus, the annual audit plan and staffing/resources;
v. Review the reporting relationship and independence of the Vice-President, Audit Services and ensure there are no restrictions or limitations on the functioning of the internal audit department. In support of best practices, the Vice-President, Audit Services will confirm his/her independence annually;

vi. Review the quarterly report of the Vice-President, Audit Services, together with management's response to any identified weaknesses, including reports on internal controls over various risk categories;
vii. Review and concur in the appointment, replacement, reassignment, or dismissal of the Vice-President, Audit Services; and
viii. Review the results of the annual Quality Assurance Improvement Program (QAIP) review performed by the Internal Auditor as well as results of periodic Quality Assessment Reviews performed by Audit Services, including those conducted by an external party/validator at least once every five years.

1.14. Oversight of Related Party Transactions

a) In accordance with requirements of the *Insurance Companies Act* (s204 (3)), the committee:

i. Establishes procedures for the review of transactions with related parties of the Company to which Part XI applies;
ii. Reviews all proposed transactions with related parties of the Company in accordance with Part XI; and
iii. Reviews the practices of the Company to ensure that any transactions with related parties of the Company that may have a material effect on the stability or solvency of the Company are identified.

b) Reports to the Superintendent on the mandate and responsibilities of the committee and the procedures established under paragraph 3(a).

c) After each meeting, reports to the directors of the Company on all transactions and other matters reviewed by the committee.

d) Within ninety days after the end of each financial year, the directors of a Company shall report to the Superintendent on proceedings of all transactions and other matters reviewed by the Committee during the year.

1.15. Oversight of the CFO and Vice-President, Audit Services

a) The committee oversees the CFO and Internal Audit function in the Company. Specifically, the committee:

i. Discusses with management the appointment of the CFO and Vice-President, Audit Services and their compensation and other terms of employment;
ii. Approves the CFO's and Vice-President, Audit Services' mandate and annual budget;
iii. Review the annual performance objectives of the CFO;
iv. Holds periodic discussions with management on the performance of the CFO and Vice-President, Audit Services; and
v. Through discussion with management, satisfies itself that succession plans are in place to ensure that a temporary replacement for the CFO or Vice-President, Audit Services will be available if needed and that a pool of qualified candidates exists for consideration for permanent appointment to the position.