

Board of Directors Committee Structure

The board is supported by five standing committees who perform according to different mandates that summarize their role and responsibilities and guide the focus of their work, as summarized below.

The Co-operators Group Limited Board of Directors also serves as the board for The Co-operators Financial Services Limited, Co-operators General Insurance Company, Co-operators Life Insurance Company, The Sovereign General Insurance company, and CUMIS General Insurance Company (together "the Company").

Audit Committee

The Audit 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 audits of the company's financial statements, the qualifications of the public accounting firm engaged as the company's independent 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 reviews and assesses the qualitative aspects of financial reporting to shareholders, and other key stakeholders and compliance with significant applicable legal, ethical, and regulatory requirements. The committee is directly responsible for the appointment (subject to member approval), compensation, retention, and oversight of the independent auditor. Management, on the other hand, is responsible for the preparation, presentation and integrity of the interim and annual financial statements and related disclosure documents. Management is also responsible for maintaining appropriate accounting and financial reporting policies and systems of internal controls and procedures that are in compliance with accounting standards, applicable laws and regulations and that provide reasonable assurances that assets are safeguarded and that transactions are authorized, executed, recorded and reported properly.

Corporate Governance and Conduct Review Committee

The Corporate Governance and Conduct Review Committee's role is to:

- develop and recommend policies and practices to maintain high standards and best practices in corporate and co-operative governance;
- serve as a centre of self-reflection to build and enhance governance effectiveness through board and director education and performance management programs;
- carry out board responsibilities with respect to the Self-Dealing provisions as set out in Part XI of the Insurance Companies Act, the other sections of the Insurance Companies Act which specifically mandate or reference the Conduct Review Committee;
- carry out board responsibilities with respect to matters involving conflicts of interests and the conduct of related parties to The Co-operators and without limiting the generality of the foregoing, responsibilities of the board concerning those matters as set out in the Appendices;
- oversee the Company's Regulatory Compliance Management Program, including the Company's identification of key regulations, regulatory risk management policies, compliance assessment, monitoring and reporting; and
- provide oversight of the Company's Chief Compliance Officer, giving guidance and advice and fulfilling the oversight responsibility of the board of directors in relation to the Company's Compliance programs.

The Committee also conducts an annual review of and advises management on the board of directors' budget

Member and Co-operative Relations Committee

The Member and Co-operative Relations Committee provides oversight to strategic initiatives that ensure The Co-operators delivers on its goal to be more than the insurance provider of choice for member and co-operative clients and plays a leadership role in the national and international co-operative communities. The Committee oversees membership and reviews strategies to advance The Co-operators co-operative identity with its key stakeholders. The Committee also has responsibility for The Co-operators Democratic Structure Review process.

The Chairperson of the Member and Co-operative Relations Committee also serves as the Chairperson of the Resolutions Committee and the Chairperson of the Democratic Structure Review Committee.

Risk and Compensation Committee

The Risk and Compensation Committee oversees the Company's Enterprise Risk Management (ERM) Program, including the Company's identification of key risks, risk appetite, risk management policies, risk measurement and assessment, risk monitoring and reporting, and program compliance. The Committee provides oversight of the Company's Chief Risk Officer, gives guidance and advice to senior management on strategic issues linked to The Co-operators Top Risk Issues and fulfils the oversight responsibility of the Board of Directors in relation to the Company's lending and investment programs.

The Committee oversees the Company's compensation practices and develops, for the Board's approval, and periodically evaluates, policies and programs governing the compensation of members of the Board and senior executives and employees of the Company. It administers the performance management program of the President and CEO, ensures that effective management-succession plans are in place and provides oversight of the Company's responsibilities as Sponsor of The Co-operators and CUMIS Retirement Plans.

Sustainability & Citizenship Committee

The Sustainability & Citizenship Committee is responsible for fostering best practices in sustainability governance and providing oversight of the sustainability performance of The Co-operators group of companies. It monitors and advises on measures to enhance sustainability governance practices at the Board and subsidiary boards. It reviews and recommends policies, strategies and annual plans to advance the Company towards its sustainability vision and monitors sustainability policy implementation, implementation of the sustainability components of the corporate strategy and stakeholder engagement. The Committee monitors integration of sustainability risk management across the Company including emerging sustainability issues, risks and opportunities. It advises the Board on the sustainability impact of key decisions. Specifically, the committee is assigned with the lead oversight responsibility for climate-related issues, risks and opportunities.

The Committee also provides oversight of the corporate citizenship programs of The Co-operators Group and its group of companies. Corporate citizenship is also referred to as "community investment" and pertains to corporate donations, sponsorships, employee volunteering and other aspects of our community contributions.



GOVERNANCE

Special Capital Committee

In addition to the five standing committees, the Board struck an ad hoc committee in April 2020 in consideration of the unique circumstances resulting from the COVID-19 crisis and resulting impacts to The Co-operators operating environment.

The Special Capital Committee provides capital management oversight during this pandemic on behalf of the Board, recognizing that capital is treated as a scarce resource and, at all times, the financial viability of the organization is paramount. The work of this committee complements the mandate and work of the Audit and Risk (& Compensation) committees, recognizing the explicit decision-making authorities of the Committees as set-out in each Committee's Terms of Reference. The Special Capital Committee provides strategic guidance, advice, and counsel to management on matters related to the company's capital and liquidity position, during this crisis, including sources and uses of capital; deployment of capital; and prioritization of capital decisions, specifically the use of capital. In so doing, the Committee will be attentive to explicit capital risk related considerations, including key stakeholder and reputational risks. This committee considers management's insights and recommendations on capital related matters requiring board approval prior to advancing such matters to the board, respecting that all capital decisions must be made within existing governance and operational parameters and in consideration of existing commitments as well as current and future asks.