

REFINITIV

# DELTA REPORT

## 10-Q

STC - STEWART INFORMATION SERVI  
10-Q - SEPTEMBER 30, 2024 COMPARED TO 10-Q - JUNE 30, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	1140
CHANGES	263
DELETIONS	696
ADDITIONS	181

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended **June September 30, 2024**

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission file number 001-02658

**STEWART INFORMATION SERVICES CORPORATION**  
(Exact name of registrant as specified in its charter)

<u>Delaware</u>	<u>74-1677330</u>
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
<u>1360 Post Oak Blvd., Suite 100</u>	<u>77056</u>
<u>Houston, Texas</u>	(Zip Code)
(Address of principal executive offices)	

Registrant's telephone number, including area code: **(713) 625-8100**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
<b>Common Stock, \$1 par value per share</b>	<b>STC</b>	<b>New York Stock Exchange</b>

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

- ☒ Large accelerated filer ☐ Non-accelerated filer ☐ Emerging growth company  
☐ Accelerated filer ☐ Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. "

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

On **July 30, 2024** **October 30, 2024**, there were **27,679,051** **27,721,674** outstanding shares of the issuer's Common Stock.

FORM 10-Q QUARTERLY REPORT

QUARTER ENDED **JUNE SEPTEMBER 30, 2024**

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Real estate solutions	
Operating revenues	
Investment income	
Net realized and unrealized (losses) gains	602,230
Net realized and unrealized gains (losses)	667,941
<b>Expenses</b>	
Amounts retained by agencies	
Amounts retained by agencies	
Amounts retained by agencies	
Employee costs	
Other operating expenses	
Title losses and related claims	
Depreciation and amortization	
Interest	573,225
	625,149
Income before taxes and noncontrolling interests	
Income tax expense	
Net income	
Less net income attributable to noncontrolling interests	
<b>Net income attributable to Stewart</b>	
Net income	
Net income	
Net income	
Other comprehensive (loss) income, net of taxes:	
Other comprehensive income (loss), net of taxes:	
Foreign currency translation adjustments	
Foreign currency translation adjustments	
Foreign currency translation adjustments	
Change in net unrealized gains and losses on investments	
Reclassification adjustments for realized gains and losses on investments	
Other comprehensive (loss) income, net of taxes:	
Other comprehensive income (loss), net of taxes:	
Comprehensive income	
Less net income attributable to noncontrolling interests	
Comprehensive income attributable to Stewart	
Basic average shares outstanding (000)	
Basic average shares outstanding (000)	
Basic average shares outstanding (000)	
<b>Basic earnings per share attributable to Stewart</b>	
Diluted average shares outstanding (000)	
<b>Diluted earnings per share attributable to Stewart</b>	
See notes to condensed consolidated financial statements.	

#### CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2024 (Unaudited)	December 31, 2023
	September 30, 2024 (Unaudited)	December 31, 2023

	(\$000 omitted)	(\$000 omitted)
<b>Assets</b>		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Short-term investments		
Investments, at fair value:		
Debt securities (amortized cost of \$607,696 and \$631,294)		
Debt securities (amortized cost of \$607,696 and \$631,294)		
Debt securities (amortized cost of \$607,696 and \$631,294)		
Debt securities (amortized cost of \$613,668 and \$631,294)		
Debt securities (amortized cost of \$613,668 and \$631,294)		
Debt securities (amortized cost of \$613,668 and \$631,294)		
Equity securities		
	660,933	
	688,661	
Receivables:		
Premiums from agencies		
Premiums from agencies		
Premiums from agencies		
Trade and other		
Income taxes		
Notes		
Allowance for uncollectible amounts		
	149,381	
	152,336	
Property and equipment:		
Land		
Land		
Land		
Buildings		
Furniture and equipment		
Accumulated depreciation		
	86,729	
	90,036	
Operating lease assets		
Title plants, at cost		
Goodwill		
Intangible assets, net of amortization		
Deferred tax assets		
Other assets		
	2,645,486	
	2,729,570	
<b>Liabilities</b>		
Notes payable		
Notes payable		
Notes payable		
Accounts payable and accrued liabilities		
Operating lease liabilities		
Estimated title losses		
Deferred tax liabilities		

	1,274,212	
	1,315,235	
Contingent liabilities and commitments	Contingent liabilities and commitments	Contingent liabilities and commitments
<b>Stockholders' equity</b>		
Common Stock (\$1 par value) and additional paid-in capital		
Common Stock (\$1 par value) and additional paid-in capital		
Common Stock (\$1 par value) and additional paid-in capital		
Retained earnings		
Accumulated other comprehensive loss:		
Foreign currency translation adjustments		
Foreign currency translation adjustments		
Foreign currency translation adjustments		
Net unrealized losses on debt securities investments		
Treasury stock – 352,161 common shares, at cost		
Treasury stock – 352,161 common shares, at cost		
Treasury stock – 352,161 common shares, at cost		
Stockholders' equity attributable to Stewart		
Noncontrolling interests		
Total stockholders' equity (27,605,057 and 27,370,227 shares outstanding)		
	2,645,486	
Total stockholders' equity (27,713,557 and 27,370,227 shares outstanding)		
	2,729,570	

See notes to condensed consolidated financial statements.

#### CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(\$000 omitted)		(\$000 omitted)	
Reconciliation of net income to cash used by operating activities:				
Net income				
Net income				
Net income				
Add (deduct):				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
Adjustments for bad debt provisions				
Net realized and unrealized (gains) losses				
Amortization of net (discount) premium on debt securities investments				
Payments for title losses in excess of provisions				
Adjustments for insurance recoveries of title losses				
Increase in receivables – net				
(Increase) decrease in receivables – net				
Increase in other assets – net				
Decrease in accounts payable and other liabilities – net				
Increase (decrease) in accounts payable and other liabilities – net				
Change in net deferred income taxes				
Net income from equity method investments				
Dividends received from equity method investments				

Stock-based compensation expense
Other – net
<b>Cash used by operating activities</b>
<b>Cash provided by operating activities</b>
Investing activities:
Proceeds from sales of investments in securities
Proceeds from sales of investments in securities
Proceeds from sales of investments in securities
Proceeds from matured investments in debt securities
Purchases of investments in securities
Net purchases of short-term investments
Purchases of property and equipment and other long-lived assets
Proceeds from sale of property and equipment and other assets
Cash paid for acquisition of businesses
Cash paid for acquisition of businesses and related assets
Increase in notes receivable
Purchases of cost-basis and other investments
Other – net
<b>Cash used by investing activities</b>
Financing activities:
Proceeds from notes payable
Proceeds from notes payable
Proceeds from notes payable
Payments on notes payable
Distributions to noncontrolling interests
Contributions from noncontrolling interests
Repurchases of Common Stock
Repurchases of Common Stock
Repurchases of Common Stock
Proceeds from stock option and employee stock purchase plan exercises
Cash dividends paid
Payment of contingent consideration related to acquisitions
<b>Cash used by financing activities</b>
<b>Cash used by financing activities</b>
<b>Cash used by financing activities</b>
Effects of changes in foreign currency exchange rates
<b>Change in cash and cash equivalents</b>
Cash and cash equivalents at beginning of period
<b>Cash and cash equivalents at end of period</b>
See notes to condensed consolidated financial statements.

#### CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)

Common Stock	Common Stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Noncontrolling interests	Total	Common Stock	Additional paid-in capital	Retained earnings	Accumulated other comprehensive loss	Treasury stock	Noncontrolling interests	Total
(\$000 omitted)														

**Six Months Ended June 30, 2024**

**Nine Months Ended September 30, 2024**

Balance at December 31, 2023

Balance at December 31, 2023

Balance at December 31, 2023

Net income attributable to Stewart

Net income attributable to Stewart
Net income attributable to Stewart
Dividends on Common Stock (\$0.95 per share)
Dividends on Common Stock (\$1.45 per share)
Stock-based compensation
Stock-based compensation
Stock-based compensation
Stock repurchases
Stock option and employee stock purchase plan exercises
Change in net unrealized gains and losses on investments, net of taxes
Change in net unrealized gains and losses on investments, net of taxes
Change in net unrealized gains and losses on investments, net of taxes
Reclassification adjustment for realized gains and losses on investments, net of taxes
Foreign currency translation adjustments, net of taxes
Net income attributable to noncontrolling interests
Distributions to noncontrolling interests
Net effect of other changes in ownership
Balance at June 30, 2024
Balance at September 30, 2024
Six Months Ended June 30, 2023
Six Months Ended June 30, 2023
Six Months Ended June 30, 2023
Nine Months Ended September 30, 2023
Nine Months Ended September 30, 2023
Nine Months Ended September 30, 2023
Balance at December 31, 2022
Balance at December 31, 2022
Balance at December 31, 2022
Net income attributable to Stewart
Net income attributable to Stewart
Net income attributable to Stewart
Dividends on Common Stock (\$0.90 per share)
Dividends on Common Stock (\$1.38 per share)
Stock-based compensation
Stock-based compensation
Stock-based compensation
Stock repurchases
Stock option and employee stock purchase plan exercises
Change in net unrealized gains and losses on investments, net of taxes
Change in net unrealized gains and losses on investments, net of taxes
Change in net unrealized gains and losses on investments, net of taxes



Balance at September 30, 2023

Balance at September 30, 2023

Balance at September 30, 2023

See notes to condensed consolidated financial statements.

### CONDENSED CONSOLIDATED STATEMENTS OF EQUITY (UNAUDITED)

[illegible]

Distributions to noncontrolling interests
Net effect of other changes in ownership
Balance at June 30, 2024
Three Months Ended June 30, 2023
Three Months Ended June 30, 2023
Three Months Ended June 30, 2023
Balance at March 31, 2023
Balance at March 31, 2023
Balance at March 31, 2023
Balance at September 30, 2024
Balance at September 30, 2024
Balance at September 30, 2024
Three Months Ended September 30, 2023
Three Months Ended September 30, 2023
Three Months Ended September 30, 2023
Balance at June 30, 2023
Balance at June 30, 2023
Balance at June 30, 2023
Net income attributable to Stewart
Net income attributable to Stewart
Net income attributable to Stewart
Dividends on Common Stock (\$0.45 per share)
Dividends on Common Stock (\$0.48 per share)
Stock-based compensation
Stock-based compensation
Stock-based compensation
Stock repurchases
Stock option exercises
Change in net unrealized gains and losses on investments, net of taxes
Change in net unrealized gains and losses on investments, net of taxes
Change in net unrealized gains and losses on investments, net of taxes
Reclassification adjustment for realized gains and losses on investments, net of taxes, net of taxes
Foreign currency translation adjustments, net of taxes
Net income attributable to noncontrolling interests
Distributions to noncontrolling interests
Balance at June 30, 2023
Balance at June 30, 2023
Balance at June 30, 2023
Balance at September 30, 2023
Balance at September 30, 2023
Balance at September 30, 2023

See notes to condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1

**Interim financial statements.** The financial information contained in this report for the three and six nine months ended June 30, 2024 September 30, 2024 and 2023, and as of June 30, 2024 September 30, 2024, is unaudited. This report should be read in conjunction with the Company's Annual Report on Form 10-K for the year ended December 31, 2023 filed with the Securities and Exchange Commission on February 29, 2024 (2023 Form 10-K).

**A. Management's responsibility.** The accompanying interim financial statements were prepared by management, which is responsible for their integrity and objectivity. These financial statements have been prepared in conformity with the United States (U.S.) generally accepted accounting principles (GAAP), including management's best judgments and estimates. In the opinion of management, all adjustments necessary for a fair presentation of this information for all interim periods, consisting only of normal recurring accruals, have been made. The Company's results of operations for interim periods are not necessarily indicative of results for a full year and actual results could differ.

**B. Consolidation.** The condensed consolidated financial statements include all subsidiaries in which the Company owns more than 50% voting rights in electing directors. All significant intercompany amounts and transactions have been eliminated and provisions have been made for noncontrolling interests. Unconsolidated investees, in which the Company typically owns from 20% to 50% of the voting stock, are accounted for using the equity method.

**C. Restrictions on cash and investments.** The Company maintains investments in accordance with certain statutory requirements for the funding of statutory premium reserves. Statutory reserve funds are required to be fully funded and invested in high-quality securities and short-term investments. Statutory reserve funds are not available for current claim payments, which must be funded from current operating cash flow. Included in investments in debt and equity securities are statutory reserve funds of approximately \$518.6 \$537.0 million and \$527.4 million at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. In addition, included within cash and cash equivalents are statutory reserve funds of approximately \$9.6 \$9.7 million and \$10.0 million at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. Although these cash statutory reserve funds are not restricted or segregated in depository accounts, they are required to be held pursuant to state statutes. If the Company fails to maintain minimum investments or cash and cash equivalents sufficient to meet statutory requirements, the Company may be subject to fines or other penalties, including potential revocation of its business license. These funds are not available for any other purpose. In the event that insurance regulators adjust the determination of the statutory premium reserves of the Company's title insurers, these restricted funds as well as statutory surplus would correspondingly increase or decrease.

NOTE 2

**Revenues.** The Company's operating revenues, summarized by type, are as follows:

Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
2024	2023	2024	2023	2024	2023	2024	2023
(\$000 omitted)							

Title insurance premiums:	
Direct	
Direct	
Direct	
Agency	
Escrow fees	
Real estate solutions and abstract fees	
Other revenues	
	588,438
	649,601

NOTE 3

**Investments in debt and equity securities.** As of June 30, 2024 September 30, 2024 and December 31, 2023, the net unrealized investment gains relating to investments in equity securities held were \$17.8 \$21.9 million and \$11.2 million, respectively (refer to Note 5).

The amortized costs and fair values of investments in debt securities are as follows:

	June 30, 2024		December 31, 2023		September 30, 2024		December 31, 2023	
	Amortized costs	Fair values	Amortized costs	Fair values	Amortized costs	Fair values	Amortized costs	Fair values
	(\$000 omitted)				(\$000 omitted)			
Municipal								
Corporate								
Foreign								
U.S. Treasury Bonds								
	607,696							

	607,696
	607,696
	613,668
	613,668
	613,668

Foreign debt securities consist of Canadian government, provincial and corporate bonds, United Kingdom treasury and corporate bonds, and Mexican government bonds.

Gross unrealized gains and losses on investments in debt securities are as follows:

	June 30, 2024		December 31, 2023		September 30, 2024		December 31, 2023	
	Gains	Losses	Gains	Losses	Gains	Losses	Gains	Losses
	(\$000 omitted)				(\$000 omitted)			
Municipal								
Corporate								
Foreign								
U.S. Treasury Bonds								
		1,162						
		1,162						
		1,162						
		6,454						
		6,454						
		6,454						

Debt securities as of June 30, 2024 September 30, 2024 mature, according to their contractual terms, as follows (actual maturities may differ due to call or prepayment rights):

	Amortized costs	Amortized costs	Fair values	Amortized costs	Fair values
	(\$000 omitted)		(\$000 omitted)		
In one year or less					
After one year through five years					
After five years through ten years					
After ten years					
		607,696			
		613,668			

Gross unrealized losses on investments in debt securities and the fair values of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at June 30, 2024 September 30, 2024, were:

Losses Incurred in a Contingent Liability												
As of September 30, 2022												
	Less than 12 months		More than 12 months		Total		Less than 12 months		More than 12 months		Total	
	Losses	Fair values	Losses	Fair values	Losses	Fair values	Losses	Fair values	Losses	Fair values	Losses	Fair values
	(\$000 omitted)				(\$000 omitted)							
Municipal												
Corporate												
Foreign												
U.S. Treasury Bonds												
		1,338										
		1,338										
		1,338										
		52										
		52										
		52										

Gross unrealized losses on investments in debt securities and the fair values of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2023, were:

	Less than 12 months		More than 12 months		Total	
	Losses	Fair values	Losses	Fair values	Losses	Fair values
	(\$'000 omitted)					
Municipal	50	13,022	120	8,383	170	21,405
Corporate	68	4,808	11,878	208,971	11,946	213,779
Foreign	472	31,918	10,625	216,135	11,097	248,053
U.S. Treasury Bonds	327	20,895	153	4,815	480	25,710
	917	70,643	22,776	438,304	23,693	508,947

	Level 1	Level 1	Level 2	Fair value measurements	Level 1	Level 2	Fair value measurements
		(\$000 omitted)		(\$000 omitted)			
Investments in securities:							
Debt securities:							
Debt securities:							
Debt securities:							
Municipal							
Municipal							
Municipal							
Corporate							
Foreign							
U.S. Treasury Bonds							
Equity securities							
		76,348					
		81,121					

	Level 1	Level 2	Fair value measurements
			(\$'000 omitted)
Investments in securities:			
Debt securities:			

Municipal	—	22,031	22,031
Corporate	—	231,474	231,474
Foreign	—	323,391	323,391
U.S. Treasury Bonds	—	33,340	33,340
Equity securities	69,700	—	69,700
	69,700	610,236	679,936

As of **June 30, 2024** **September 30, 2024** and December 31, 2023, Level 1 financial instruments consist of equity securities. Level 2 financial instruments consist of municipal, governmental, and corporate bonds, both U.S. and foreign. In accordance with the Company's policies and guidelines which incorporate relevant statutory requirements, the Company's third-party registered investment manager invests only in securities rated as investment grade or higher by the major rating services, where observable valuation inputs are significant. The fair value of the Company's investments in debt and equity securities is primarily determined using a third-party pricing service provider. The third-party pricing service provider calculates the fair values using both market approach and model valuation methods, as well as pricing information obtained from brokers, dealers and custodians. Management ensures the reasonableness of the third-party service valuations by comparing them with pricing information from the Company's investment manager.

## NOTE 5

**Net realized and unrealized gains (losses) gains.** Realized and unrealized gains and losses are detailed as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2023	2024	2023	2024
	(\$000 omitted)				(\$000 omitted)			
Realized gains								
Realized losses								
Net unrealized investment (losses) gains recognized on equity securities still held								
								(514)
Net unrealized investment gains (losses) recognized on equity securities still held								4,714

Realized losses during **During the second quarter and first six** nine months of 2023, realized losses included a \$3.2 million contingent receivable loss adjustment related to a previous disposition of a **business.** business, while realized gains were primarily due to gains on sale of investment securities.

Investment gains and losses recognized related to investments in equity securities are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(\$000 omitted)			
Net investment (losses) gains recognized on equity securities during the period	(541)	1,988	6,693	232
Less: Net realized (losses) gains on equity securities sold during the period	—	(59)	7	(723)
Net unrealized investment (losses) gains recognized on equity securities still held	(541)	2,047	6,686	955

  

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(\$000 omitted)			
Net investment gains (losses) recognized on equity securities during the period	4,796	(1,738)	11,489	(1,505)
Less: Net realized gains on equity securities sold during the period	296	801	303	79
Net unrealized investment gains (losses) recognized on equity securities still held	4,500	(2,539)	11,186	(1,584)

Proceeds from sales of investments in securities are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
	(\$000 omitted)				(\$000 omitted)			
Proceeds from sales of debt securities								
Proceeds from sales of equity securities								
Total proceeds from sales of investments in securities								

NOTE 6

**Goodwill.** The summary of changes in goodwill is as follows:

Title				
Title				
Title	Real Estate Solutions	Consolidated Total	Real Estate Solutions	Consolidated Total
	(\$000 omitted)			

Balances at December 31, 2023
Acquisitions
Purchase accounting adjustments
Balances at June 30, 2024
Balances at June 30, 2024
Balances at June 30, 2024
Balances at September 30, 2024
Balances at September 30, 2024
Balances at September 30, 2024

During the first **six** **nine** months of 2024, goodwill recorded in the title segment was related to an acquisition of a title office.

NOTE 7

**Estimated title losses.** A summary of estimated title losses for the **six** **nine** months ended **June** **September** 30 is as follows:

	2024	2024	2023	2024	2023
	(\$000 omitted)		(\$000 omitted)		
Balances at January 1					
Provisions:					
Current year					
Current year					
Current year					
Previous policy years					
Total provisions					
Payments, net of recoveries:					
Current year					
Current year					
Current year					
Previous policy years					
Total payments, net of recoveries					
Effects of changes in foreign currency exchange rates					
Effects of changes in foreign currency exchange rates					
Effects of changes in foreign currency exchange rates					
Balances at June 30					
Balances at September 30					
Loss ratios as a percentage of title operating revenues:					
Current year provisions					
Current year provisions					

Current year provisions		4.0	%	4.0	%	4.0	%	4.1	%	
Total provisions	Total provisions	4.1	%	4.1	%	Total provisions	4.0	%	4.1	%

NOTE 8

**Share-based payments.** As part of its incentive compensation program for executives and senior management employees, the Company provides share-based awards, which usually include a combination of time-based restricted stock units, performance-based restricted stock units and stock options. Each restricted stock unit represents a contractual right to receive a share of the Company's Common Stock. The time-based units generally vest on each of the first three anniversaries of the grant date, while the performance-based units vest upon achievement of certain financial objectives and an employee service requirement over a period of approximately three years. The Company has not granted stock options since 2021 and all outstanding stock option awards are fully vested at **June 30, 2024** **September 30, 2024**. The compensation expense associated with the share-based awards is calculated based on the fair value of the related award and recognized over the corresponding vesting period.

During the first **six** **nine** months of 2024 and 2023, the Company granted time-based and performance-based restricted stock units with aggregate grant-date fair values of **\$13.8 million** (225,000 **\$14.5 million** (235,000 units with an average grant price per unit of **\$61.44**) **\$61.56**) and **\$12.0 million** (293,000 **\$12.1 million** (296,000 units with an average grant price per unit of **\$41.01**) **\$41.03**).

NOTE 9

**Earnings per share.** Basic earnings per share (EPS) attributable to Stewart is calculated by dividing net income attributable to Stewart by the weighted-average number of shares of Common Stock outstanding during the reporting periods. To calculate diluted EPS, the number of shares is adjusted to include the number of additional shares that would have been outstanding if restricted units were vested and issued and stock options were exercised. In periods of net losses, dilutive shares are excluded from the calculation of the diluted EPS and diluted EPS is computed in the same manner as basic EPS.

The calculation of the basic and diluted EPS is as follows:

Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
2024	2023	2024	2023	2024	2023	2024	2023

(\$000 omitted, except per share)

Numerator:
Net income attributable to Stewart
Net income attributable to Stewart
Net income attributable to Stewart
Denominator (000):
Denominator (000):
Denominator (000):
Basic average shares outstanding
Basic average shares outstanding
Basic average shares outstanding
Average number of dilutive shares relating to options
Average number of dilutive shares relating to restricted units
Diluted average shares outstanding
Basic earnings per share attributable to Stewart
Basic earnings per share attributable to Stewart
Basic earnings per share attributable to Stewart
Diluted earnings per share attributable to Stewart
Diluted earnings per share attributable to Stewart
Diluted earnings per share attributable to Stewart

NOTE 10

**Contingent liabilities and commitments.** In the ordinary course of business, the Company guarantees the third-party indebtedness of certain of its consolidated subsidiaries. As of **June 30, 2024** **September 30, 2024**, the maximum potential future payments on the guarantees are not more than the related notes payable recorded in the condensed consolidated balance sheets. The Company also guarantees the indebtedness related to lease obligations of certain of its consolidated subsidiaries. The maximum future obligations arising from these lease-related guarantees are not more than the Company's future lease obligations, as presented on the condensed consolidated balance sheets, plus lease operating expenses. As of **June 30, 2024** **September 30, 2024**, the Company also had unused letters of credit aggregating \$4.9 million related to workers' compensation and other insurance. The Company does not expect to make any payments on these guarantees.

NOTE 11



**Regulatory and legal developments.** The Company is subject to claims and lawsuits arising in the ordinary course of its business, most of which involve disputed policy claims. In some of these lawsuits, the plaintiffs seek exemplary or treble damages in excess of policy limits. The Company does not expect that any of these ordinary course proceedings will have a material adverse effect on its consolidated financial condition or results of operations. The Company believes that it has adequate reserves for the various litigation matters and contingencies referred to in this paragraph and that the likely resolution of these matters will not materially affect its consolidated financial condition or results of operations.

The Company is subject to non-ordinary course of business claims or lawsuits from time to time. To the extent the Company is currently the subject of these types of lawsuits, the Company has determined either that a loss is not reasonably possible or that the estimated loss or range of loss, if any, will not have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Additionally, the Company occasionally receives various inquiries from governmental regulators concerning practices in the insurance industry. Many of these practices do not concern title insurance. To the extent the Company is in receipt of such inquiries, it believes that, where appropriate, it has adequately reserved for these matters and does not anticipate that the outcome of these inquiries will materially affect its consolidated financial condition or results of operations.

The Company is subject to various other administrative actions, investigations and inquiries into its business conduct in certain of the states in which it operates. While the Company cannot predict the outcome of the various regulatory and administrative matters, it believes that it has adequately reserved for these matters and does not anticipate that the outcome of any of these matters will materially affect its consolidated financial condition or results of operations.

NOTE 12

**Segment information.** The Company has three reportable operating segments: the title segment, the real estate solutions segment, and the corporate and other segment. The title segment provides services needed to transfer title to property in a real estate transaction and includes services such as searching, abstracting, examining, closing and insuring the condition of the title to the property. In addition, the title segment includes home and personal insurance services, Internal Revenue Code Section 1031 tax-deferred exchanges, and digital customer engagement platform services. The real estate solutions segment supports the real estate industry and primarily includes credit and real estate information services, valuation management services, online notarization and closing services, and search services. The corporate and other segment is primarily comprised of the parent holding company and centralized support services departments.

Selected statement of income information related to these segments is as follows:

	Three Months Ended June 30,		Six Months Ended June 30,		Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023	2024	2023	2024	2023
	(\$000 omitted)				(\$000 omitted)			
Title segment:								
Revenues								
Revenues								
Revenues								
Depreciation and amortization								
Income before taxes and noncontrolling interest								
Real estate solutions segment:								
Real estate solutions segment:								
Real estate solutions segment:								
Revenues								
Revenues								
Revenues								
Depreciation and amortization								
Income before taxes								
Corporate and other segment:								
Corporate and other segment:								
Corporate and other segment:								
Revenues (net realized losses)								
Revenues (net realized losses)								
Revenues (net realized losses)								
Depreciation and amortization								
Loss before taxes								
Consolidated Stewart:								
Consolidated Stewart:								

Revenues
Revenues
Revenues
Depreciation and amortization
Income before taxes and noncontrolling interest

Total revenues generated in the United States and all international operations are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	Three Months Ended September 30,	Nine Months Ended September 30,			
	2024	2023	2024	2023	2024	2023	2024	2023
	(\$000 omitted)				(\$000 omitted)			
United States								
International								
	602,230							
	667,941							

**Other comprehensive income (loss) income.** Changes in the balances of each component of other comprehensive income (loss) income and the related tax effects are as follows:

				Three Months Ended June 30, 2024			Three Months Ended June 30, 2023						
				Three Months Ended September 30, 2024			Three Months Ended September 30, 2023						
Before-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount	
(\$000 omitted)													

Other comprehensive income (loss)

		Six Months Ended June 30, 2024						Six Months Ended June 30, 2023					
		Nine Months Ended September 30, 2024						Nine Months Ended September 30, 2023					
	Before-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount	Before-Tax Amount	Tax Expense (Benefit)	Net-of-Tax Amount

(\$000 omitted)

Net unrealized gains and losses on investments:

Change in net unrealized gains and losses on investments

Change in net unrealized gains and losses on investments

Change in net unrealized gains and losses on investments

Reclassification adjustment for realized gains and losses on investments

	(2,053)
	14,930

Foreign currency translation adjustments

Foreign currency translation adjustments

Foreign currency translation adjustments

Other comprehensive (loss) income

Other comprehensive (loss) income

Other comprehensive (loss) income

Other comprehensive income (loss)

Other comprehensive income (loss)

Other comprehensive income (loss)

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations

MANAGEMENT’S OVERVIEW

**Second Third quarter 2024 overview.** We reported net income attributable to Stewart of **\$17.3 million** **\$30.1 million** (**\$0.62** **1.07** per diluted share) for the **second third** quarter 2024, compared to net income of **\$15.8 million** **\$14.0 million** (**\$0.58** **0.51** per diluted share) for the **second third** quarter 2023. Pretax income before noncontrolling interests for the **second third** quarter 2024 was **\$29.0 million** **\$42.8 million** compared to pretax income before noncontrolling interests of **\$25.2 million** **\$27.1 million** for the prior year quarter. The **second third** quarter 2024 results included **\$0.5 million** **\$4.7 million** of pretax net realized and unrealized gains, while the third quarter 2023 results included **\$1.9 million** of pretax net realized and unrealized losses, both of which were primarily driven by net unrealized gains and losses, respectively, from fair value changes of equity securities investments in the title segment, while second quarter 2023 results included **\$1.1 million** of pretax net realized and unrealized losses primarily due to a realized loss related to a previous disposition of a business recorded in the corporate and other segment, partially offset by net unrealized gains on fair value changes of equity securities security investments in the title segment.

Summary results of the title segment are as follows (\$ in millions, except pretax margin):

	For the Three Months Ended June 30
	For the Three Months Ended June 30
	For the Three Months Ended June 30
	For the Three Months Ended September 30
	For the Three Months Ended September 30
	For the Three Months Ended September 30

Operating revenues

Operating revenues

Operating revenues
Investment income
Investment income
Investment income
Net realized and unrealized (losses) gains
Net realized and unrealized (losses) gains
Net realized and unrealized (losses) gains
Net realized and unrealized gains (losses)
Net realized and unrealized gains (losses)
Net realized and unrealized gains (losses)
Pretax income
Pretax income
Pretax income
Pretax margin
Pretax margin
Pretax margin

Title segment operating revenues improved **\$29.5 million** **\$31.2 million**, or 6%, in the **second third** quarter 2024 primarily driven by increased revenues from our domestic commercial **international** and agency title operations, **partially offset by lower domestic noncommercial revenues**, while total segment operating expenses increased **\$31.3 million** **\$28.4 million**, or **7%** 6%, compared to the **second third** quarter 2023. Agency retention expenses in the **second third** quarter 2024 increased **\$28.4 million** **\$15.0 million**, or **17%** 7%, primarily **driven** by **\$32.0 million** **resulting from \$16.8 million**, or **15%** 6%, improvement in gross agency revenues compared to the **second third** quarter 2023, while the average independent agency **remittance rate in the second quarter 2024 decreased to approximately 16.9%**, compared to 17.7% during the prior year quarter, primarily due to increased agency revenues in **states with relatively higher agent retention rates. 2023.**

Total title segment employee costs and other operating expenses **slightly** increased by **\$2.0 million** **\$14.6 million**, or **less than 1%** 6%, in the **second third** quarter 2024 compared to the prior year quarter, primarily due to **increased higher** outside search and **incentive compensation** expenses related to higher commercial revenues. As a percentage of operating revenues, these expenses were **49.7%** **47.4%** in **the second quarter both third quarters of 2024** **compared to 52.4% in the second quarter and 2023**. Title loss expense in the **second third** quarter 2024 **increased \$1.3 million** **decreased \$1.0 million**, or **7%** 4%, primarily driven by higher title revenues **due to an overall favorable claim experience** compared to the prior year quarter. As a percentage of title revenues, title loss expense was **4.2%** **3.8%** for **both the second quarters 2024 and 2023.**

Investment income improved by \$2.2 million in the **second third** quarter 2024 compared to **the prior year quarter**, primarily resulting from higher interest income on eligible escrow **balances 4.3%** in the **second third** quarter 2024. **Included 2023.**

**Included** in the title segment's pretax income for the **second third** quarters 2024 and 2023 were acquisition intangible asset amortization **and related** expenses of **\$2.8 million** **\$2.8 million** and **\$3.3 million** **\$3.4 million**, respectively.

Summary results of the real estate solutions segment are as follows (\$ in millions, except pretax margin):

	For the Three Months Ended June 30
	For the Three Months Ended June 30
	For the Three Months Ended June 30
	For the Three Months Ended September 30
	For the Three Months Ended September 30
	For the Three Months Ended September 30

Operating revenues
Operating revenues
Operating revenues
Pretax income
Pretax income
Pretax income
Pretax margin
Pretax margin
Pretax margin

The segment's operating revenues increased \$20.8 million \$28.2 million, or 29% 41%, in the second third quarter 2024 compared to the prior year quarter, primarily due to increased improved revenues from our credit information and valuation services. On a combined basis, segment employee costs and other operating expenses in the second third quarter 2024 increased \$19.0 million \$24.2 million, or 31% 41%, primarily due to in line with the higher operating revenues. Included in the segment's results for the second third quarters 2024 and 2023 were acquisition intangible asset amortization expenses of \$5.5 million and \$5.8 million \$6.3 million, respectively.

In regard to the corporate and other segment, pretax results were driven by net expenses attributable to corporate operations, which decreased to \$9.5 million in the second third quarter 2024, compared to \$10.5 million \$10.8 million in the second third quarter 2023, primarily driven by management's cost discipline. The segment's results for due to a prior acquisition-related settlement expense in the second third quarter 2023 included net realized losses of \$3.1 million, primarily driven by a loss adjustment resulting from a previous disposition of a business. 2023.

## CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's condensed consolidated financial statements requires management to make estimates and judgments that affect the reported amounts of certain assets, liabilities, revenues, expenses and related disclosures surrounding contingencies and commitments.

Actual results can differ from our accounting estimates. While we do not anticipate significant changes in our estimates, there is a risk that such changes could have a material impact on our consolidated financial condition or results of operations for future periods. During the six nine months ended June 30, 2024 September 30, 2024, we made no material changes to our critical accounting estimates as previously disclosed in Management's Discussion and Analysis in the 2023 Form 10-K.

**Operations.** Our primary business is title insurance and settlement-related services. We close transactions and issue title policies on homes, commercial and other real properties located in all 50 states, the District of Columbia and international markets through policy-issuing offices, agencies and centralized title services centers. Our real estate solutions operations include credit and real estate information services, valuation management services, online notarization and closing services, and search services. The corporate and other segment includes our parent holding company and centralized support services departments.

**Factors affecting revenues.** The principal factors that contribute to changes in our operating revenues include:

- interest rates;
- availability of mortgage loans;
- number and average value of mortgage loan originations;
- ability of potential purchasers to qualify for loans;
- inventory of existing homes available for sale;
- ratio of purchase transactions compared with refinance transactions;
- ratio of closed orders to open orders;
- home prices;
- consumer confidence, including employment trends;
- demand by buyers;
- premium rates;
- foreign currency exchange rates;
- market share;
- ability to attract and retain highly productive sales associates;
- independent agency remittance rates;
- opening and integration of new offices and acquisitions;
- office closures;
- number and value of commercial transactions, which typically yield higher premiums;
- government or regulatory initiatives;
- acquisitions or divestitures of businesses;
- volume of distressed property transactions; and
- seasonality and/or weather.

Premiums are determined in part by the values of the transactions we handle. To the extent inflation or market conditions cause increases in the prices of homes and other real estate, premium revenues are also increased. Conversely, falling home prices cause premium revenues to decline. Home price changes may override the seasonal nature of the title insurance business. Historically, our first quarter is the least active in terms of title insurance revenues as home buying is generally depressed during winter months. Our second and third quarters are typically the most active as the summer is the traditional home buying season, and while commercial transaction closings are skewed to the end of the year, individually large commercial transactions can occur any time of the year. On average, title premium rates for refinance orders are lower compared to a similarly priced purchase transaction.

## RESULTS OF OPERATIONS

Comparisons of our results of operations for the three and six nine months ended June 30, 2024 September 30, 2024 with the corresponding periods in the prior year are set forth below. Factors contributing to fluctuations in the results of operations are presented in the order of their monetary significance, and we have quantified, when necessary, significant changes. Segment results are included in the discussions and, when relevant, are discussed separately.

Our statements on home sales, interest rates and loan activity are based on published U.S. industry data from sources including Fannie Mae, the Mortgage Bankers Association (MBA), the National Association of Realtors® (NAR) and the U.S. Census Bureau as of **June 30, 2024** **September 30, 2024**. We also use information from our direct operations.

**Operating environment.** Existing According to NAR, existing home sales in June 2024 were 3.9 million units (seasonally-adjusted basis), in September 2024 totaled 3.8 million units, which were 5% was 1% and 4% lower from both August 2024 and a year ago, and May 2024, respectively, primarily due to the continuing elevated consumer hesitancy and affordability challenges, despite the gradually declining interest rate environment accompanied by rising home prices. According to NAR, the June 2024 environment. The median home price increased 3% in September 2024 to \$405,000 from September 2023, marking the 15th consecutive month of \$427,000 was the highest ever recorded, further affecting housing affordability year-over-year price increases, which contributed to increases of 2% and increasing 23% in unsold home inventory which at the end of June in September 2024 was 23% higher than a year ago compared to August 2024 and 3% higher than May 2024. On September 2023, respectively. In relation to new residential construction, U.S. housing starts (seasonally-adjusted) in June September 2024 were 1% lower compared to both August 2024 and September 2023, while newly-issued building permits in September 2024 were 3% better than May 2024, but 4% lower than a year ago, while June 2024 newly-issued building permits were 3% higher than May 2024, but 3% and 6% lower compared to June 2023, August 2024 and September 2023, respectively.

Regarding lending activity, Based on averaged estimates by Fannie Mae and MBA, total U.S. single family mortgage originations during the **second third** quarter 2024 totaled \$441 billion, which was comparable increased 10% to \$442 billion in \$464 billion compared to the second prior year quarter, 2023, as the with purchase lending decline of 3% was offset by a 12% improvement in and refinancing originations according to Fannie Mae increasing 4% and MBA (averaged), 42%, respectively. During the **second third** quarter 2024, the average 30-year fixed interest rate averaged 7.0% lower at 6.6%, compared to 6.5% 7.0% in both the third quarter 2023 and the second quarter 2023 and 6.7% in 2024, primarily influenced by the federal government's first quarter 2024, interest rate reduction since March 2020. For the full year fourth quarter 2024, Fannie Mae and MBA expect the interest rate to further decline to an average 6.8% of 6.2%, similar to lower than the 7.3% average in the fourth quarter 2023, average, while total dollar originations for the year fourth quarter 2024 are expected to be 13% higher compared to 2023, with total lending volumes in the third and fourth quarters of 2024 anticipated to improve 17% and 29% increase 7%, respectively, compared to the same periods third quarter 2024, behind a projected 69% increase in 2023, refinancing lending, partially offset by a 10% decline forecast in purchase originations.

**Title revenues.** Direct title revenue information is presented below:

Direct title revenue information is presented below:																
		Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended September 30,						
		2024	2023	Change	% Chg	2024	2023	Change	% Chg	2024	Change	% Chg	2024			
Non-commercial																
Non-commercial																
Non-commercial																
Domestic																
Domestic																
Domestic		169.4	184.5	184.5	(15.1)	(15.1)	(8)	(8)%	304.6	334.9	334.9	(30.3)	(30.3)	(9)	(9)%	168.2
International	International	28.1	25.9	25.9	2.2	2.2	8	8 %	47.3	45.0	45.0	2.3	2.3	5	5 %	International
		197.5	210.4		(12.9)	(6)%	351.9	379.9	(28.0)	(7) %						
		197.2	196.7		0.5	— %	549.2	576.5	(27.3)	(5) %						
Commercial:																
Domestic																
Domestic																
Domestic		51.0	41.5	41.5	9.5	9.5	23	23 %	100.8	74.2	74.2	26.6	26.6	36	36 %	67.4
International	International	7.0	6.1	6.1	0.9	0.9	15	15 %	13.4	11.8	11.8	1.6	1.6	14	14 %	International
		58.0	47.6		10.4	22 %	114.2	86.0	28.2	33 %						
		73.5	59.7		13.8	23 %	187.6	145.7	41.9	29 %						
Total direct title revenues	Total direct title revenues	255.5	258.0	258.0	(2.5)	(2.5)	(1)	(1)%	466.1	465.9	465.9	0.2	0.2	—	— %	Total direct title revenues

\*Rounded.

Domestic non-commercial revenues decreased in the **second third** quarter and 2024 were comparable to the prior year quarter, primarily due to the slightly higher average fee per file offsetting the slightly lower non-commercial domestic transactions in the third quarter 2024. Domestic non-commercial revenues in the first **six** nine months of 2024 declined compared to the same periods period in 2023, primarily driven by as a result of lower residential transactions with total purchase and refinancing closed orders decreasing 9% and 8% in the second quarter and first six months of 2024, respectively. Additionally, average transactions. Average residential fee per file in for both the **second third** quarter and first **six** nine months of 2024 decreased to was \$3,000, (or 7% and 11%, respectively) which was 2% higher compared to the same periods in third quarter 2023 and 6% lower compared to the first nine months of 2023 primarily due to a lower purchase transaction mix in during the first nine months of 2024.

Domestic commercial revenues increased in the **second third** quarter and first **six** nine months of 2024, compared to the same periods in 2023, primarily as a result of increased average transaction size, (primarily in primarily from the energy and industrial sectors), multi-family sectors, and, for third quarter 2024, an improvement in commercial transactions closed compared to the third quarter 2023. Average domestic commercial fee per file improved increased to **\$13,500** \$17,700 (or **17%** 25%) and **\$13,700** \$15,100 (or **39%** 34%) in

the **second third** quarter and first **six nine** months of 2024, respectively, while domestic commercial orders closed increased 6% in the second quarter 2024 and slightly decreased 2% in the first six months of 2024, compared to the same periods in 2023.

Orders information for the three and **six nine** months ended **June September** 30 is as follows:

Three Months Ended June 30,										Six Months Ended June 30,													
Three Months Ended September 30,										Nine Months Ended September 30,													
2024				2024		2023		%		2024		2023		Change		% Chg							
Opened Orders:																							
Commercial																							
Commercial																							
Commercial		3,526	3,294	3,294	232	232	7	7	%	7,219	7,136	7,136	83	83	1	1	%	3,665	3,320	3,320	345	345	
Purchase	Purchase	55,057	57,443	57,443	(2,386)	(2,386)	(4)	(4)	%	103,081	106,912	106,912	(3,831)	(3,831)	(4)	(4)	%	Purchase	49,458	53,285	53,285	(3)	(3)
Refinance	Refinance	16,731	16,860	16,860	(129)	(129)	(1)	(1)	%	33,102	32,989	32,989	113	113	—	—	%	Refinance	20,920	16,032	16,032	4	4
Other	Other	11,407	7,588	7,588	3,819	3,819	50	50	%	22,654	12,009	12,009	10,645	10,645	89	89	%	Other	13,421	8,630	8,630	4	4
Total	Total	86,721	85,185	85,185	1,536	1,536	2	2	%	166,056	159,046	159,046	7,010	7,010	4	4	%	Total	87,464	81,267	81,267		

Closed Orders:

Closed Orders:

Closed Orders:

Commercial																			
Commercial																			
Commercial	3,787	3,585	3,585	202	202	6	6	%	7,355	7,509	7,509	(154)	(154)	(2)	(2)	%	3,794	3,661	3,661
Purchase	Purchase 37,832	42,226	42,226	(4,394)	(4,394)	(10)	(10)	%	67,576	73,854	73,854	(6,278)	(6,278)	(9)	(9)	%	Purchase 35,590	39,903	39,903
Refinance	Refinance 9,978	10,583	10,583	(605)	(605)	(6)	(6)	%	19,331	20,196	20,196	(865)	(865)	(4)	(4)	%	Refinance 11,766	10,397	10,397
Other	Other 7,902	3,855	3,855	4,047	4,047	105	105	%	15,696	6,589	6,589	9,107	9,107	138	138	%	Other 8,225	6,347	6,347
Total	Total 59,499	60,249	60,249	(750)	(750)	(1)	(1)	%	109,958	108,148	108,148	1,810	1,810	2	2	%	Total 59,375	60,308	60,308

Other opened and closed orders, which typically have a lower average fee per file compared to residential purchase transactions, increased in the **second third** quarter and first **six nine** months of 2024 compared to the same periods in 2023, primarily due to higher **institutional bulk securitization and reverse mortgage transactions resulting from the ramp up of acquisitions completed in late 2022.**

## home equity loan-related transactions.

Gross revenues from independent agency operations improved **\$32.0 million** **\$16.8 million**, or **15%** 6%, in the **second third** quarter 2024 and **\$23.8 million** **\$40.6 million**, or **5%** 6%, in the first **six nine** months of 2024, compared to the same periods in 2023, primarily due to increased agent activity in 2024. Agency revenues, net of retention, increased **\$3.7 million** **\$1.9 million**, or **10%** 4%, in the **second third** quarter 2024 and **\$1.2 million** **\$3.0 million**, or 2%, in the first **six nine** months of 2024, compared to the same periods in 2023, primarily due to higher gross agency revenues **partially offset by and slightly** higher average agent retention **rates influenced by the geographical transaction mix of additional gross revenues, rates.** Refer further to the "Retention by agencies" discussion under Expenses below.

**Real estate solutions revenues.** Real estate solutions revenues improved **\$20.8 million** **\$28.2 million**, or **29%** 41%, in the **second third** quarter 2024 and **\$41.2 million** **\$69.4 million**, or **31%** 34%, in the first **six nine** months of 2024, primarily driven by higher revenues from credit-related information and valuation services businesses compared to the same periods in 2023.

**Investment income.** Investment income in the **second third** quarter and first **six nine** months of 2024 increased **\$2.2 million** **\$0.2 million**, or **18%** 2%, and **\$8.5 million** **\$8.7 million**, or **45%** 27%, respectively, compared to the same periods in **2023, primary 2023.** The higher investment income in the first nine months of 2024 was primarily due to higher interest income in 2024 resulting from earned interest from eligible escrow balances, which was an initiative that we started during the late second quarter 2023.

**Net realized and unrealized (losses) gains.** Refer to [Note 5](#) to the condensed consolidated financial statements.

**Expenses.** An analysis of expenses is shown below:

Three Months Ended June 30,					Six Months Ended June 30,					Three Months Ended September 30,					Nine Months Ended September 30,				
2024	2023	Change*	% Chg		2024	2023	Change*	% Chg		2024	2023	Change*	% Chg		2024	2023	Change*	% Chg	

**Retention by agencies.** Amounts retained by title agencies are based on agreements between agencies and our title underwriters. Amounts retained by independent agencies, as a percentage of revenues generated by them, averaged 83.1% 82.8% and 83.0% in the third quarter and first nine months of 2024, respectively, compared to 82.4% in both the second third quarter and first six nine months of 2024 compared to 82.3% and 82.5% in the second quarter and first six months of 2023, respectively, primarily as a result of increased revenues from states with relatively higher retention rates in 2024. The average retention percentage may vary from period to period due to the geographical mix of agency operations, the volume of title revenues and, in some states, laws or regulations. Due to the variety of such laws or regulations, as well as competitive factors, the average retention rate can differ significantly from state to state. In addition, a high proportion of our independent agencies are in states with retention rates greater than 80%. We continue to focus on increasing profit margins in every state, increasing premium revenue in states where remittance rates are higher, and maintaining the quality of our agency network, which



we believe to be the industry's best, in order to mitigate claims risk and drive consistent future performance. While market share is important in our agency operations channel, it is not as important as margins, risk mitigation and profitability.

**Employee costs.** Consolidated employee costs decreased \$3.0 million increased \$12.4 million, or 7%, and \$1.1 million \$11.3 million, or 2%, in the second third quarter and first six nine months of 2024, respectively, compared to the same periods in 2023, primarily due to lower incentive compensation and severance expenses, partially offset by slightly higher salaries expense resulting from business growth and annual merit increases, higher incentive compensation consistent with improved revenues, and for the first six months of 2024, higher medical benefits expense due to increased claims activity. Title segment employee costs decreased \$2.7 million increased \$10.4 million, or 6%, in the third quarter 2024 and \$10.3 million, or 2%, in the second quarter 2024 compared to the second quarter 2023, while employee costs in the first six nine months of 2024, were comparable to the same period in 2023. Employee while employee costs in the real estate solutions segment increased \$1.0 million \$1.7 million, or 8% 14%, in the second third quarter 2024 and \$0.8 million \$2.6 million, or 3% 7%, in the first six nine months of 2024, compared to the same periods in 2023, primarily driven by business growth in the segment. 2023.

Total employee costs, as a percentage of total operating revenues, improved to 30.5% were 29.8% and 31.4% 30.8% in the second third quarter and first six nine months of 2024, respectively, compared to 33.9% 30.7% and 33.4% 32.4% in the second third quarter and first six nine months of 2023, respectively, primarily due to higher operating revenues and lower average employee count in 2024. revenues. As of June 30, 2024 September 30, 2024, we had approximately 6,700 6,800 employees compared to approximately 6,900 7,000 and 6,800 employees as of June 30, 2023 September 30, 2023 and December 31, 2023, respectively.

**Other operating expenses.** Other operating expenses include costs that are primarily fixed in nature, costs that follow, to varying degrees, changes in transaction volumes and revenues (variable costs) and costs that fluctuate independently of revenues (independent costs). Costs that are primarily fixed in nature include rent and other occupancy expenses, equipment rental, insurance, repairs and maintenance, technology costs, telecommunications and title plant expenses. Variable costs include appraiser and service expenses related to real estate solutions operations, outside search fees, attorney fee splits, credit losses (on receivables), copy supplies, delivery fees, postage, premium taxes and title plant maintenance expenses. Independent costs include general supplies, litigation defense, business promotion and marketing and travel.

Consolidated other operating expenses increased \$23.0 million \$25.2 million, or 18% 19%, in the second third quarter 2024 and \$39.2 million \$64.4 million, or 16% 17%, in the first six nine months of 2024 compared to the same periods in 2023, primarily due to higher information and service expenses and outside search fees consistent with increased revenues in our real estate solutions and commercial title operations, respectively, compared to the same periods in 2023, respectively. Total variable costs in the second third quarter and first six nine months of 2024 increased \$20.5 million \$27.9 million, or 28% 40%, and \$39.0 million \$66.9 million, or 29% 33%, primarily driven by our real estate solutions and commercial services operations. Total costs that are primarily fixed in nature increased \$1.2 million decreased \$1.3 million, or 3%, in the second quarter 2024, but decreased \$1.1 million and \$2.4 million, or 1% 2%, in the third quarter and first six nine months of 2024, respectively, while independent costs increased \$1.2 million decreased \$1.5 million, or 10%, and \$1.3 million, or 5%, in the second third quarter and first six months of 2024 respectively, primarily due to office closure costs recorded in the second third quarter 2023, and were comparable in both the first nine months of 2024 and 2023, primarily as a result of lower litigation-related expenses being offset by higher travel and business promotion expenses in the first nine months of 2024.

As a percentage of total operating revenues, consolidated other operating expenses in the second third quarter and first six nine months of 2024 were 25.9% 24.0% and 25.8% 25.1%, respectively, compared to 24.0% 22.1% and 23.6% 23.1% in the second third quarter and first six nine months of 2023, respectively, primarily driven by resulting from increased real estate solutions service expenses related to higher revenues in 2024.

**Title losses.** Provisions for title losses, as a percentage of title operating revenues, were 4.2% 3.8% and 4.3% for both the second third quarters 2024 and 2023, respectively, and 4.0% and 4.1% for both the first six nine months of 2024 and 2023, respectively. The title loss expense in the second third quarter 2024 decreased \$1.0 million, or 4%, compared to the prior year quarter, and was comparable in both the first six nine months of 2024 increased \$1.3 million, or 7%, and \$1.0 million, or 3%, respectively, 2023, primarily as a result due to our overall favorable claim experience, partially offset by effect of increased title revenues in 2024. The title loss ratio in any given quarter can be significantly influenced by changes in large claims incurred, escrow losses and adjustments to reserves for existing large claims.

The composition of title policy loss expense is as follows:

		Three Months Ended June 30,				Six Months Ended June 30,				Three Months Ended September 30,				Nine Months Ended September 30,			
		2024	2023	Change	% Chg	2024	2023	Change	% Chg	2024	2023	Change	% Chg	2024	2023	Change	% Chg
Provisions – known claims:	Current year																
	Current year																
	Current year	3.3	3.3	3.3	—	5.6	5.8	5.8	(0.2)	4.2	4.9	4.9	(0.7)	9.0	15.8	15.8	(6.8)
	Prior policy years	27.3	24.5	24.5	2.8	42.3	42.5	42.5	(0.2)	Prior policy years	9.0	15.8	15.8	(6.8)	(6.8)	(6.8)	(4)
		30.6	27.8	2.8	10 %	47.9	48.3	(0.4)	(1)								
		13.2	20.7	(7.5)	(36)%	61.2	68.9	(7.7)	(11)								

## Provisions

### – IBNR

Current year

Current year

Current year	17.5	16.3	16.3	1.2	1.2	7	7	%	32.2	31.0	31.0	1.2	1.2	4	4	%	18.0	17.4	17.4	0.6	0.6	3	3	%	
Prior policy years	0.3	0.2	0.2	0.1	0.1	50	50	%	0.7	0.7	0.7	—	—	100	100	%	Prior policy years	(0.9)	—	—	(0.9)	(0.9)	(10)	(10)	%
	17.8	16.5	1.3	8	%	32.9	31.7	1.2	4	%															
	17.1	17.4	(0.3)	(2)%	50.0	49.1	0.9	2	%																
Transferred from IBNR to known claims	(27.3)	(24.5)	(24.5)	(2.8)	(2.8)	(11)	(11)	%	(42.3)	(42.5)	(42.5)	0.2	0.2	—	—	%	Transferred from IBNR to known claims	(9.0)	(15.8)	(15.8)	6.8	6.8	4	4	%
Total provisions	21.1	19.8	19.8	1.3	1.3	7	7	%	38.5	37.5	37.5	1.0	1.0	3	3	%	Total provisions	21.3	22.3	22.3	(1.0)	(1.0)			%

Provisions for known claims arise primarily from prior policy years as claims are not typically reported until several years after policies are issued. Provisions - Incurred But Not Reported (IBNR) are estimates of claims expected to be incurred over the next 20 years; therefore, it is not unusual or unexpected to experience changes to those estimated provisions in both current and prior policy years as additional loss experience on policy years is obtained. This loss experience may result in changes to our estimate of total ultimate losses expected (i.e., the IBNR policy loss reserve). Current year provisions - IBNR are recorded on policies issued in the current year as a percentage of premiums earned (provisioning rate). As claims become known, provisions are reclassified from IBNR to known claims. Adjustments relating to large losses (those individually in excess of \$1.0 million) may impact provisions either for known claims or for IBNR.

Total known claims provision increased \$2.8 million decreased \$7.5 million, or 10% 36%, and \$7.7 million or 11% in the second third quarter 2024 and decreased \$0.4 million or 1% in the first six nine months of 2024, respectively, compared to the same periods in 2023, primarily as a result of timing of claims reported related to prior policy years. The current Current year IBNR provisions increased \$0.6 million, or 3%, in the second third quarter 2024 and first six months of 2024 increased \$1.2 million, or 7% and \$1.2 million \$1.8 million, or 4%, respectively, in the first nine months of 2024, compared to the same periods in 2023, primarily due to increased title premiums. premiums in 2024. As a percentage of title operating revenues, provisions - IBNR for the current policy year were 3.5% was 3.3% in both the second third quarters 2024 and 2023, and were 3.3% and 3.4% in both the first six nine months of 2024 and 2023. 2023, respectively.

Cash claim payments in the second third quarter 2024 decreased \$2.4 million, or 11%, compared to the third quarter 2023, primarily due to lower payments on general claims and a loss recovery, partially offset by increased payments on large claims related to prior policy years. Cash claim payments in the first six nine months of 2024 decreased \$4.3 million \$17.3 million, or 14% 20%, and \$14.9 million, or 23.0%, respectively, compared to the same periods period in 2023, primarily due to lower payments on both large and general claims related to prior policy years. years and several loss recoveries. We continue to manage and resolve large claims prudently and in keeping with our commitments to our policyholders.

In addition to title policy claims, we incur losses in our direct operations from escrow, closing and disbursement functions. These escrow losses typically relate to errors or other miscalculations of amounts to be paid at closing, including timing or amount of a mortgage payoff, payment of property or other taxes and payment of homeowners' association fees. Escrow losses also arise in cases of fraud, and in those cases, the title insurer incurs the loss under its obligation to ensure that an unencumbered title is conveyed. Escrow losses are recognized as expenses when discovered or when contingencies associated with them (such as litigation) are resolved and are typically paid less than 12 months after the loss is recognized.

Total title policy loss reserve balances are as follows:

	June 30, 2024	December 31, 2023
	September 30, 2024	December 31, 2023
	(\$ in millions)	(\$ in millions)
Known claims		
IBNR		
Total estimated title losses		

The actual timing of estimated title loss payments may vary since claims, by their nature, are complex and paid over long periods of time. Based on historical payment patterns, the outstanding loss reserves are substantially paid out within eight years. As a result, the estimate of the ultimate amount to be paid on any claim may be modified over that time period. Due to the inherent uncertainty in predicting future title policy losses, significant judgment is required by both our management and our third party actuaries in estimating reserves. As a consequence, our ultimate liability may be materially greater or less than current reserves and/or our third party actuary's calculated estimates.

**Depreciation and amortization.** Depreciation and amortization expenses in the second third quarter and first nine months of 2024 decreased \$0.3 million \$0.9 million, or 6%, and \$0.8 million, or 2%, compared to the second quarter corresponding periods in 2023, primarily due to lower acquisition intangible amortization expenses resulting from several assets becoming fully amortized, while depreciation and amortization expenses in the first six months of 2024 were comparable to the same period in 2023, primarily due to the lower acquisition intangible amortization expenses being partially offset by increased depreciation expenses related to additional new internal-use systems placed into operation during late

2023 and in 2024. operation. Acquisition intangible amortization expenses for the second third quarter and first six nine months of 2024 were \$8.0 million \$7.9 million and \$16.1 million \$24.0 million, respectively, compared to \$8.7 million \$9.3 million and \$17.0 million \$26.3 million in the same periods in 2023.

Income taxes. Our Our effective tax rates, based on income before taxes and after deducting income attributable to noncontrolling interests, were 31% 23% and 30% 26% in the second third quarter and first six nine months of 2024, respectively, compared to 25% 39% and 6% 31% in the second third quarter and first six nine months of 2023, respectively. The higher effective tax rates in 2024 were primarily due to the higher pretax contribution of our international operations (which have higher average income tax rates) compared to our domestic operations. The lower effective tax rate for the third quarter and first six nine months of 2023 was were primarily driven by discrete annual federal return tax adjustments mainly recorded in the third quarter 2023 related to increased lower utilization of net operating loss carryforwards. foreign tax credits.

LIQUIDITY AND CAPITAL RESOURCES

Our liquidity and capital resources reflect our ability to generate cash flow to meet our obligations to stockholders, customers (payments to satisfy claims on title policies), vendors, employees, lenders and others. As of June 30, 2024 September 30, 2024, our total cash and investments, including amounts reserved pursuant to statutory requirements aggregated \$837.7 million \$917.3 million. Of our total cash and investments at June 30, 2024 September 30, 2024, \$432.2 million \$491.2 million (\$187.9 241.7 million, net of statutory reserves) was held in the United States and the rest internationally (principally in Canada).

As a holding company, the parent company is funded principally by cash from its subsidiaries' earnings in the form of dividends, operating and other administrative expense reimbursements and pursuant to intercompany tax sharing agreements. Cash held at the parent company and its unregulated subsidiaries (which totaled \$26.1 million \$37.9 million at June 30, 2024 September 30, 2024) is available for funding the parent company's operating expenses, interest payments on debt and dividend payments to common stockholders. The parent company also receives distributions from Stewart Title Guaranty Company (Guaranty), its regulated title insurance underwriter, to meet cash requirements for acquisitions and other strategic investments.

A substantial majority of our consolidated cash and investments as of June 30, 2024 September 30, 2024 was held by Guaranty and its subsidiaries. The use and investment of these funds, dividends to the parent company, and cash transfers between Guaranty and its subsidiaries and the parent company are subject to certain legal and regulatory restrictions. In general, Guaranty uses its cash and investments in excess of its legally-mandated statutory premium reserve (established in accordance with requirements under Texas law) to fund its insurance operations, including claims payments. Guaranty may also, subject to certain limitations, provide funds to its subsidiaries (whose operations consist principally of field title offices and real estate solutions operations) for their operating and debt service needs.

We maintain investments in accordance with certain statutory requirements for the funding of statutory premium reserves. Statutory reserve funds are required to be fully funded and invested in high-quality securities and short-term investments. Statutory reserve funds are not available for current claim payments, which must be funded from current operating cash flow. Included in investments in debt and equity securities are statutory reserve funds of approximately \$518.6 million \$537.0 million and \$527.4 million at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. In addition, included within cash and cash equivalents are statutory reserve funds of approximately \$9.6 million \$9.7 million and \$10.0 million at June 30, 2024 September 30, 2024 and December 31, 2023, respectively. As of June 30, 2024 September 30, 2024, our known claims reserve totaled \$68.1 million \$62.6 million and our estimate of claims that may be reported in the future, under generally accepted accounting principles, totaled \$444.3 million \$455.0 million. In addition to this, we had cash and investments (at amortized cost and excluding equity method investments) of \$253.9 million \$282.5 million, which are available for underwriter operations, including claims payments, and acquisitions.

The ability of Guaranty to pay dividends to its parent is governed by Texas insurance law. The Texas Department of Insurance (TDI) must be notified of any dividend declared, and any dividend in excess of the greater of the statutory net operating income or 20% of surplus (which was approximately \$168.7 million as of December 31, 2023) would be, by regulation, considered extraordinary and subject to pre-approval by the TDI. Also, the Texas Insurance Commissioner may raise an objection to a planned distribution during the notification period. Guaranty's actual ability or intent to pay dividends to its parent may be constrained by business and regulatory considerations, such as the impact of dividends on surplus and liquidity, which could affect its ratings and competitive position, the amount of insurance it can write and its ability to pay future dividends. During the six nine months ended June 30, 2024 September 30, 2024, Guaranty paid \$20.0 million \$30.0 million of dividends to the parent company. Guaranty did not pay any dividends during the six nine months ended June 30, 2023 September 30, 2023.

As the parent company conducts no operations apart from its wholly-owned subsidiaries, the discussion below focuses on consolidated cash flows.

	Six Months Ended June 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(\$ in millions)		(\$ in millions)	
Net cash used by operating activities				
Net cash provided by operating activities				
Net cash used by investing activities				
Net cash used by financing activities				

Operating activities. Our principal sources of cash from operations are premiums on title policies and revenue from title service-related transactions, real estate solutions and other operations. Our independent agencies remit cash to us net of their contractual retention. Our principal cash expenditures for operations are employee costs, operating costs and title claims payments.

Net cash used provided by operations in the first six nine months of 2024 improved to \$8.5 million \$67.7 million compared to net cash used by operations of \$16.0 million \$43.6 million in the first six nine months of 2023, primarily as a result of driven by improved net results and lower payments on claims and accounts payable in 2024. Although our business is labor intensive, we are focused on a cost-effective, scalable business model which includes utilization of technology, centralized back and middle office functions and business process outsourcing. We are continuing our emphasis on cost management, especially in light of the current economic environment due to elevated mortgage interest rates, specifically focusing on lowering unit costs of production and improving operating margins in our direct title and real estate solutions operations. Our plans to improve margins

include additional automation of manual processes, further consolidation of our various systems and production operations, and full integration of acquisitions. We continue to invest in the technology necessary to accomplish these goals.

**Investing activities.** Net cash used by investing activities is primarily driven by related to proceeds from matured and sold investments, purchases of investments, capital expenditures and acquisition of businesses. During the first six nine months of 2024, total proceeds from securities investments sold and matured were \$72.7 million \$113.1 million compared to \$94.7 million \$111.6 million during the first six nine months of 2023, while cash used for purchases of securities investments was \$58.4 million \$99.2 million in the first six nine months of 2024 compared to \$55.5 million \$72.9 million in the same period of 2023. Additionally, cash paid for cost-basis and other investments was \$29.9 million \$29.8 million and \$1.1 million during the first six nine months of 2024, 2024 and 2023, respectively.

We used \$19.4 million \$28.1 million and \$15.5 million \$29.5 million of cash for purchases of property and equipment and other long-lived assets during the first six nine months of 2024 and 2023, respectively, while we used net cash of \$8.2 million \$14.4 million for an acquisition of a title office and a prior acquisition-related customer relationship asset in the title segment in the first six nine months of 2024, compared to \$22.4 million \$25.1 million used for acquisitions in the title and real estate solutions segments during the first six nine months of 2023. We maintain investment in capital expenditures at a level that enables us to implement technologies for increasing our operational and back-office efficiencies and to pursue growth in key markets.

**Financing activities and capital resources.** Total debt and stockholders' equity were \$445.6 million \$445.7 million and \$1.37 billion \$1.41 billion, respectively, as of June 30, 2024 September 30, 2024. During the first six nine months of 2024 and 2023, payments on notes payable of \$3.4 million and \$5.7 million, respectively, and notes payable additions of \$3.4 million and \$3.5 million, respectively, were related to short-term loan agreements in connection with our Section 1031 tax-deferred property exchange (Section 1031) business.

At June 30, 2024 September 30, 2024, our line of credit facility was fully available, while our debt-to-equity and debt-to-capitalization ratios, excluding our Section 1031 notes, were approximately 32% and 25% 24%, respectively. During the first six nine months of 2024, we paid total dividends of \$26.2 million \$40.0 million (\$0.95 1.45 per common share), compared to total dividends paid in the first six nine months of 2023 of \$24.5 million \$37.5 million (\$0.90 1.38 per common share).

We believe we have sufficient liquidity and capital resources to meet the cash needs of our ongoing operations, including consideration of the current economic and real estate environment created by the increasing mortgage interest rates. However, we may determine that additional debt or equity funding is warranted to provide liquidity for achievement of strategic goals or acquisitions or for unforeseen circumstances. Other than scheduled maturities of debt, operating lease payments and anticipated claims payments, we have no material contractual commitments. We expect that cash flows from operations and cash available from our underwriters, subject to regulatory restrictions, will be sufficient to fund our operations, including claims payments. However, to the extent that these funds are not sufficient, we may be required to borrow funds on terms less favorable than we currently have or seek funding from the equity market, which may not be successful or may be on terms that are dilutive to existing stockholders.

**Contingent liabilities and commitments.** See discussion of contingent liabilities and commitments in Note 10 to the condensed consolidated financial statements.

**Other comprehensive income (loss) income.** Unrealized gains and losses on available-for-sale debt securities investments and changes in foreign currency exchange rates are reported net of deferred taxes in accumulated other comprehensive income (loss), a component of stockholders' equity, until they are realized. During the first six nine months of 2024, net unrealized investment gains of \$11.8 million, net of taxes, which increased our other comprehensive income, were primarily related to net increases in the fair values of our foreign and corporate bond securities investments. These increases were primarily influenced by the federal government's reduction of interest rates during the third quarter 2024. During the first nine months of 2023, net unrealized investment losses of \$1.6 million \$6.3 million, net of taxes, which increased our other comprehensive loss, were primarily related to net decreases in the fair values of our foreign and corporate bond securities investments, primarily influenced by resulting from the continued elevated interest rate environment. During the first six months of 2023, net unrealized investment gains of \$1.2 million, net of taxes, which increased our other comprehensive income, were primarily related to net increases environment in the fair values of our corporate bond securities investments, 2023.

Changes in foreign currency exchange rates (primarily related to our Canadian and United Kingdom operations) increased decreased our other comprehensive loss, income, net of taxes, by \$5.7 million \$0.9 million in the first six nine months of 2024, while they increased our other comprehensive income loss by \$4.9 million \$1.0 million in the first six nine months of 2023.

**Off-balance sheet arrangements.** We do not have any material source of liquidity or financing that involves off-balance sheet arrangements, other than our contractual obligations under operating leases. We also routinely hold funds in segregated escrow accounts pending the closing of real estate transactions and have qualified intermediaries in tax-deferred property exchanges for customers pursuant to Section 1031 of the Internal Revenue Code. The Company holds the proceeds from these transactions until a qualifying exchange can occur. In accordance with industry practice, these segregated accounts are not included on the balance sheet. See Note 15 in our 2023 Form 10-K.

**Forward-looking statements.** Certain statements in this report are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements relate to future, not past, events and often address our expected future business and financial performance. These statements often contain words such as "may," "expect," "anticipate," "intend," "plan," "believe," "seek," "will," "foresee" or other similar words. Forward-looking statements by their nature are subject to various risks and uncertainties that could cause our actual results to be materially different than those expressed in the forward-looking statements. These risks and uncertainties include, among other things, the following:

- the volatility of economic conditions;
- adverse changes in the level of real estate activity;
- changes in mortgage interest rates, existing and new home sales, and availability of mortgage financing;
- our ability to respond to and implement technology changes, including the completion of the implementation of our enterprise systems;
- our ability to prevent and mitigate cyber risks;
- the impact of unanticipated title losses or the need to strengthen our policy loss reserves;
- any effect of title losses on our cash flows and financial condition;

- the ability to attract and retain highly productive sales associates;
- the impact of vetting our agency operations for quality and profitability;
- independent agency remittance rates;
- changes to the participants in the secondary mortgage market and the rate of refinancing that affects the demand for title insurance products;
- regulatory non-compliance, fraud or defalcations by our title insurance agencies or employees;
- our ability to timely and cost-effectively respond to significant industry changes and introduce new products and services;
- our ability to realize anticipated benefits of our previous acquisitions;
- the outcome of pending litigation;
- our ability to manage risks associated with potential cybersecurity or other privacy or data security breaches;
- the impact of changes in governmental and insurance regulations, including any future reductions in the pricing of title insurance products and services;
- our dependence on our operating subsidiaries as a source of cash flow;
- our ability to access the equity and debt financing markets when and if needed;
- effects of seasonality and weather; and
- our ability to respond to the actions of our competitors.

The above risks and uncertainties, as well as others, are discussed in more detail in our documents filed with the Securities and Exchange Commission, including in Part I, Item 1A "Risk Factors" in our 2023 Form 10-K, and as may be further updated and supplemented from time to time in our future Quarterly Reports on Form 10-Q, and our Current Reports on Form 8-K filed subsequently. All forward-looking statements included in this report are expressly qualified in their entirety by such cautionary statements. We expressly disclaim any obligation to update, amend or clarify any forward-looking statements contained in this report to reflect events or circumstances that may arise after the date hereof, except as may be required by applicable law.

### Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no material changes during the **six** **nine** months ended **June 30, 2024** **September 30, 2024** in our investment strategies, types of financial instruments held or the risks associated with such instruments that would materially alter the market risk disclosures made in our 2023 Form 10-K.

### Item 4. Controls and Procedures

**Evaluation of disclosure controls and procedures.** Our principal executive officer and principal financial officer are responsible for establishing and maintaining disclosure controls and procedures. They evaluated the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of **June 30, 2024** **September 30, 2024**, and have concluded that, as of such date, our disclosure controls and procedures are adequate and effective to ensure that information we are required to disclose in the reports that we file or submit under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and (ii) accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

**Changes in internal control over financial reporting.** There was no change in our internal control over financial reporting during the quarter ended **June 30, 2024** **September 30, 2024**, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II – OTHER INFORMATION

### Item 1. Legal Proceedings

See discussion of legal proceedings in [Note 11](#) to the condensed consolidated financial statements included in Item 1 of Part I of this Report, which is incorporated by reference into this Part II, Item 1, as well as Item 3. Legal Proceedings, in our 2023 Form 10-K.

### Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties, including those described in Part I, Item 1A. "Risk Factors" in our 2023 Form 10-K. There have been no material changes to our risk factors since our 2023 Form 10-K.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

There were no repurchases of our Common Stock during the **six** **nine** months ended **June 30, 2024** **September 30, 2024**, except for repurchases of approximately **57,300** **58,700** shares (aggregate purchase price of approximately **\$3.5 million** **\$3.6 million**) related to the statutory income tax withholding on the vesting of restricted unit grants to executives and senior management employees.

### Item 5. Other Information

**Book value per share.** Our book value per share was **\$49.44** **\$50.77** and \$50.11 as of **June 30, 2024** **September 30, 2024** and December 31, 2023, respectively. As of **June 30, 2024** **September 30, 2024**, our book value per share was based on approximately **\$1.36 billion** **\$1.41 billion** of stockholders' equity attributable to Stewart and **27,605,057** **27,713,557** shares of Common Stock outstanding. As of December 31, 2023, our book value per share was based on approximately \$1.37 billion of stockholders' equity attributable to Stewart and 27,370,227 shares of Common Stock outstanding.

## Item 6. Exhibits

### Exhibit

3.1	—	<a href="#">Restated Certificate of Incorporation of the Registrant, dated April 28, 2016 (incorporated by reference in this report from Exhibit 3.1 of the Current Report on Form 8-K filed April 29, 2016)</a>
3.2	—	<a href="#">Fifth Amended and Restated By-Laws of the Registrant, as of December 27, 2022 (incorporated by reference in this report from Exhibit 3.1 of the Current Report on Form 8-K filed December 30, 2022)</a>
31.1*	—	<a href="#">Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
31.2*	—	<a href="#">Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>
32.1*	—	<a href="#">Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
32.2*	—	<a href="#">Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>
101.INS*	—	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH*	—	XBRL Taxonomy Extension Schema Document
101.CAL*	—	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	—	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	—	XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	—	XBRL Taxonomy Extension Presentation Linkbase Document
104*	—	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

\* Filed herewith

## SIGNATURE

Pursuant to the requirements of the Securities and Exchange Act of 1934, the registrant has caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

~~August~~ November 6, 2024

Date

Stewart Information Services Corporation

Registrant

By:

/s/ David C. Hisey

David C. Hisey, Chief Financial Officer and Treasurer

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## EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (this “**Agreement**”) is effective as of January 1, 2023 (the “**Effective Date**”) by and between Stewart Information Services Corporation (the “**Company**”), and Elizabeth Giddens (“**Executive**”) (collectively, the “**Parties**”). This Agreement amends, restates and supersedes any prior written employment agreement between the Parties and any other written or unwritten agreement or understanding between the Parties regarding the subject matter hereof.

The Company and Executive agree as follows:

1. Definitions. The following terms used in this Agreement shall, unless otherwise clearly required by the context, have the meanings assigned to them in this Section 1.



**"Annual Salary"** means the annual salary payable to Executive in the amount of \$350,000.00 effective January 1, 2023, as it may be adjusted by the Company from time to time.

**"Benefits"** has the meaning set forth in [Section 4.4](#).

**"Board"** means the Board of Directors of the Company.

**"Cause"** means, in the good faith determination of the Board, any of the following:

(a) Executive's willful failure to substantially perform Executive's duties with the Company (other than by reason of Executive's Disability), after a written demand for substantial performance is delivered to Executive that specifically identifies the manner in which the Company believes that Executive has not substantially performed such duties, and Executive has failed to remedy the situation within 30 days of such written notice from the Company;

(b) Executive's gross negligence in the performance of Executive's duties;

(c) Executive's conviction of, or plea of guilty or *nolo contendere* to any felony or any crime involving moral turpitude or the personal enrichment of Executive at the expense of the Company;

(d) Executive's willful engagement in conduct that is demonstrably and materially injurious to the Company, monetarily or otherwise, including, without limitation, Executive's breach of fiduciary duties owed to the Company;

(e) Executive's willful violation of any material provision of the Company's code of conduct;

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(f) Executive's willful violation of any of the material covenants contained in [Section 5](#);

(g) Executive's act of dishonesty resulting in or intending to result in personal gain at the expense of the Company; or

(h) Executive's engaging in any material act that is intended or may be reasonably expected to harm the reputation, business prospects, or operations of the Company.

**"Code"** means the Internal Revenue Code of 1986, as amended.

**"Company Business"** means the business of providing real estate support services, including, without limitation, title insurance, real estate information services, escrow services and related transaction services.

**"Confidential Information"** means confidential or proprietary information of the Company and its affiliates, including, without limitation, information of a technical and business nature regarding the past, current or anticipated business of the Company and its affiliates that may encompass financial information, financial figures, trade secrets, customer lists, details of client or consultant contracts, pricing policies, operational methods, marketing plans or strategies, product development techniques or plans, business acquisition plans, employee information, organizational charts, new personnel acquisition plans, technical processes, inventions and research projects, ideas, discoveries, inventions, improvements, writings and other works of authorship.

**"Conflict of Interest"** has the meaning set forth in [Section 5.5](#).

**"Date of Termination"** means the date that is Executive's last day of work for the Company.

**"Disability"** means a physical or mental disability, whether total or partial, as defined by the Company's Long-Term Disability Plan, as in effect from time to time.

**"Exchange Act"** means the Securities Exchange Act of 1934, as amended.

**"Expenses"** means all damages, losses, judgments, liabilities, fines, penalties, excise taxes, settlements, and costs, attorneys' fees, accountants' fees, and disbursements and costs of attachment or similar bonds, investigations, and any other expenses incurred in establishing a right to indemnification under this Agreement.

**"Omnibus Plan"** means the Company's shareholder approved incentive plan or plans, which may include long-term equity-based compensation plans, short-term performance-based compensation plans and any other similar plans, as such may be in effect from time to time.

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**"Proceeding"** means any action, suit or proceeding, whether civil, criminal, administrative or investigative.

**"Restrictive Covenants"** has the meaning set forth in [Section 5.6](#).

**"Term"** has the meaning set forth in [Section 2](#).

2. **Term.** The term of this Agreement begins on January 1, 2023 and ends on December 31, 2023(the **"Term"**). The Term will be automatically extended for successive one-year periods unless either party provides written notice of non-renewal to the other party at least sixty (60) days prior to the applicable renewal date. Notwithstanding the foregoing, Executive's employment may be terminated prior to the end of the Term pursuant to the express provisions of this Agreement.

3. **Title and Duties.** Executive shall serve as Chief Legal Officer of the Company. Executive will have duties and responsibilities appropriate to Executive's position. Executive will have such duties and responsibilities as may be assigned to Executive by the Company from time to time, at the Company's discretion. Executive will devote all reasonable efforts and all of his or her business time to the Company.

4. **Compensation and Benefits.**

4.1 **Annual Salary.** The Annual Salary will be payable in accordance with the payroll policies of the Company in effect from time to time, but in no event less frequently than twice each month, less any deductions required to be withheld by applicable law and less any voluntary deductions made by Executive.

4.2 **Incentive Compensation.** Executive shall be eligible to receive long and short-term incentive compensation in the form of annual bonuses or long-term grants under the Omnibus Plan. The decision to award any incentive compensation to Executive under the Omnibus Plan and the amount and terms of any such awards or grants are subject to change from year to year and shall be in the sole and absolute discretion of the Compensation Committee of the Board or any other committee that may be designated as the administrative committee for the Omnibus Plan with respect to Executive.

4.3 **Vacation Policy.** Executive shall be entitled to four weeks of paid vacation during each calendar year of the Term, which such vacation shall accrue in accordance with Company policy.

4.4 **Participation in Employee Benefit Plans.** Executive may participate in any group life, hospitalization or disability insurance plan, health program, retirement plan, similar benefit plan or other so called "fringe benefits" of the Company (collectively, **"Benefits"**). Executive's participation in any such plans shall be on the terms and conditions set forth in the governing plan documents as they may be in effect from time to time.

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4.5 **General Business Expenses.** The Company shall pay or reimburse Executive for all business expenses reasonably and necessarily incurred by Executive in the performance of Executive's duties under this Agreement, consistent with the Company's business expense reimbursement policy, as in effect from time to time.

4.6 **Other Benefits.** Executive shall be entitled to participate in or receive benefits under any compensatory employee benefit plan or other benefit or similar arrangements made available by the Company now or in the future to its senior executive officers and key management employees, subject to and on a basis consistent with the terms, conditions, and overall administration of such plans or arrangement.

4.7 **Clawback Policy.** Executive agrees that the compensation and benefits provided by the Company under this Agreement or otherwise may be subject to recoupment under the Company's Clawback Policy, as in effect from time to time. A copy of the current clawback Policy is available on request.

4.8 **Stock Ownership.** Executive understands and agrees that Executive may be subject to the Company's stock ownership policy, as such policy may be in effect from time to time (the "**Stock Ownership Policy**") and shall take all appropriate steps to comply with the Stock Ownership Policy. A copy of the Stock Ownership Policy is available on request. Executive understands and the Company agrees that notice of changes to the Stock Ownership Policy shall be made available by the Company as appropriate.

4.9 **Perquisites.** Executive shall be entitled, as of the date hereof, to the perquisites described in List of Perquisites provided to Executive with this Agreement; provided, however, that Executive's perquisites shall be subject to modification from time to time by the Compensation Committee of the Board, at its sole discretion.

5. **Confidentiality and Company Property, Non-Competition and Non-Solicitation.**

5.1 **Confidentiality, Non-Solicit, and Non-Compete Agreement.** Executive agrees that, as a condition of Executive's employment, Executive shall execute and shall be bound by the terms of the Stewart Title Guaranty Company, Stewart Title Company and Affiliates Confidentiality, Non-Solicit, and Non-Compete Agreement attached hereto as **Exhibit A**.

5.2 **Non-Disparagement.** Executive also agrees, as a condition of Executive's employment, that Executive and Executive's immediate family will not make any comments to the employees, vendors, customers, or suppliers of the Company or any of its affiliates, or to any media outlet or to others with the intent to impugn, castigate or otherwise damage the reputation of the Company, any of its affiliates or any of the owners, directors, officers, or employees of the Company.

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5.3 **Covenants Independent.** The covenants of Executive contained in this **Section 5** will be construed as independent of any other provision in this Agreement; and the existence of any claim or cause of action by Executive against the Company will not constitute a defense to the enforcement by the Company of said covenants. Executive has been advised to consult with counsel in order to be informed in all respects concerning the reasonableness and propriety of this **Section 5** and its provisions with the specific regard to the nature of the business conducted by the Company. Executive acknowledges that this **Section 5** and its provisions are reasonable in all respects.

5.4 **Non-Competition During Employment.** Executive agrees that during Executive's employment with the Company Executive will not compete with the Company by engaging in the Company Business or in the conception, design, development, production, marketing, or servicing of

any product or service that is substantially similar to the products or services which the Company provides, and that Executive will not work for (in any capacity), assist, or become affiliated with as an owner, partner, or otherwise, either directly or indirectly, any individual or business which engages in the Company Business or offers or performs services, or offers or provides products substantially similar to the services and products provided by the Company.

**5.5 Conflicts of Interest.** Executive agrees that during Executive's employment with the Company he or she will not engage, either directly or indirectly, in any activity which might adversely affect the Company or its affiliates (a "**Conflict of Interest**"), including ownership of a material interest in any supplier, contractor, distributor, subcontractor, customer or other entity with which the Company does business or acceptance of any material payment, service, loan, gift, trip, entertainment, or other favor from a supplier, contractor, distributor, subcontractor, customer or other entity with which the Company does business, and that Executive will promptly inform the Board as to each offer received by Executive to engage in any such activity. Executive further agrees to disclose to the Company any other facts of which Executive becomes aware which might in Executive's good faith judgment reasonably be expected to involve or give rise to a Conflict of Interest or potential Conflict of Interest.

**5.6 Rights and Remedies Upon Breach.** If Executive breaches any of the provisions contained in this **Section 5**, including any provisions of **Exhibit A** (the "**Restrictive Covenants**"), the Company shall have the following rights and remedies, each of which rights and remedies shall be independent of the others and severally enforceable, and each of which is in addition to, and not in lieu of, any other rights and remedies available to the Company under law or in equity, including, without limitation, recovery of money damages and termination of this Agreement:

(a) **Specific Performance.** The right and remedy to have the Restrictive Covenants specifically enforced by any court of competent jurisdiction, it being agreed that any breach of the Restrictive Covenants would cause irreparable injury to the Company and that money damages would not provide an adequate remedy to the Company.

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(b) **Accounting.** The right and remedy to require Executive to account for and pay over to the Company all compensation, profits, monies, accruals, increments or other benefits derived or received by Executive as the result of any action constituting a breach of the Restrictive Covenants.

(c) **Remedies for Violation of Non-Competition or Confidentiality Provisions.** Executive acknowledges and agrees that: (i) the skills, experience and contacts of Executive are of a special, unique, unusual and extraordinary character which give them a peculiar value; (ii) because of the business of the Company, the restrictions agreed to by Executive as to time and area contained in this **Section 5** are reasonable; and (iii) the injury suffered by the Company by a violation of this **Section 5** will be difficult to calculate in damages in an action at law and damages cannot fully compensate the Company for any violation of any obligation or covenant in this **Section 5**. Executive's compliance with this **Section 5** is a condition precedent to the Company's obligation to make payments of any nature to Executive (including, without limitation, payments otherwise payable pursuant to the Incentive Plan).

**5.7 Materiality and Conditionality of this Section 5.** The covenants contained in this **Section 5** are material to this Agreement. Executive's agreement to strictly comply with this **Section 5** is a precondition for Executive's receipt of payments of any nature under this Agreement (including, without limitation, payments otherwise payable pursuant to the Incentive Plan). Whether or not this **Section 5** or any portion thereof has been held or found invalid or unenforceable for any reason whatsoever by a court or other constituted legal authority of competent jurisdiction, upon any violation of this **Section 5** or any portion thereof, or upon a finding that a violation would have occurred if this **Section 5** or any portion thereof were enforceable, Executive and the Company agree that (i) Executive's interest in unvested awards granted pursuant to the Incentive Plan shall automatically lapse and be forfeited; and (ii) Company shall have no obligation to make any further payments to Executive under this Agreement.

**5.8 Severability, Modification of Covenants.** The Restrictive Covenants shall survive the termination or expiration of this Agreement, and in the event any of the Restrictive Covenants shall be held by any court to be effective in any particular area or jurisdiction only if said Restrictive Covenant is modified to be limited in its duration or scope, then, at the sole option of the Company, the provisions of **Section 5.7** may be deemed to have been triggered, and the rights, liabilities and obligations set forth therein shall apply. In the event the Company does not elect to trigger

application of Section 5.7, then the court shall have such authority to so reform the covenants and the parties hereto shall consider such covenants and/or other provisions of this Section 5 to be amended and modified with respect to that particular area or jurisdiction so as to comply with the order of such court and, as to all other jurisdictions, the covenants contained herein shall remain in full force and effect as originally written. Should any court hold that the covenants in this Section 5 are void and otherwise unenforceable in a particular area or jurisdiction, then notwithstanding the foregoing provisions of this Section 5.8, the provisions of Section 5.7 shall be applicable and the rights, liabilities and obligations of the parties set forth

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therein shall apply. Alternatively, at the sole option of the Company, the Company may consider such covenants to be amended and modified so as to eliminate therefrom the particular area or jurisdictions as to which such covenants are so held void or otherwise unenforceable and, as to all other areas and jurisdictions covered herein, the covenants contained herein shall remain in full force and effect as originally written.

6. Termination. In general, on termination of Executive's employment for any reason, the following amounts will be paid to Executive, or Executive's estate, as the case may be:

(a) All accrued but unpaid Annual Salary through the Executive's last active day of employment, payable in a lump sum within 30 days following Executive's termination of employment;

(b) Accrued but unused vacation time, to the extent payment is either required by law or provided for in the Company's vacation or paid-time-off policy, as such may be in effect from time to time;

(c) Any amounts payable to Executive under the terms of any employee benefit plans in which Executive was a participant;

(d) Reimbursement of any of Executive's business expenses not previously reimbursed, to the extent provided for under the Company's business expense reimbursement policy; and

(e) Any other amounts that determined to be due under the terms of the Omnibus Plan, or any grants or awards made thereunder.

Unless expressly provided for under this Agreement, no amounts other than those set forth above shall be paid following any termination of Executive's employment, including, by way of example, and not limitation, termination of Executive's employment by reason of the Company for Cause and resignation and by reason of Executive's resignation without Good Reason.

6.1 Termination for Cause. The Company has the right, at any time during the Term, subject to all of the provisions hereof, exercisable by serving notice, effective on or after the date of service of such notice as specified therein, to terminate Executive's employment under this Agreement and discharge Executive for Cause.

6.2 Termination without Cause. The Company has the right, at any time during the Term to terminate Executive's employment without Cause by providing Executive with notice at least 60 days prior to the effective date of such notice. In the event Executive's employment is terminated without Cause, Executive shall be entitled to such benefits as may be provided pursuant to the Company's Executive Separation Pay and Change in Control Plan (the "Executive Separation Pay Plan").

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**6.3 Termination upon Disability.** If during the Term Executive experiences a Disability, the Company shall, by written notice to Executive, terminate Executive's employment with the Company. Executive shall be entitled to such payments as are provided in the case of any other termination of employment, and shall also be entitled to a payment corresponding to the value of certain benefits that were provided to Executive while actively employed. The amount payable in substitution for certain subsidized employee benefits under this Section 6.3 shall be determined as follows: The monthly value of the Company's subsidy of Executive's group health plan coverage shall be determined by reference to such subsidy as in effect immediately prior to Executive's termination of employment, and that monthly amount shall be multiplied by twelve (12), which amount shall be paid as a lump sum, net of required withholding for federal, state and local wage and income taxes.

**6.4 Resignation for Good Reason.** Executive's resignation for Good Reason, as set forth below, shall be treated in all respects like a Termination by the Company without Cause. For these purposes, the following provisions shall be applicable:

(a) The term "Good Reason" shall mean any of the following:

(i) The occurrence of any material breach by the Company or any of its affiliates of the terms of this Agreement or of the terms of any other material agreement between Executive and the Company or any of its affiliates;

(ii) The Company's assignment to Executive of any duties materially inconsistent with Executive's position, including any other action which results in a material diminution in such status, title, authority, duties or responsibility; or

(iii) The relocation of Executive's office to a location more than 35 miles outside Executive's office location as agreed at time of execution of Agreement.

(b) In order for Executives resignation to be deemed to be for Good Reason, Executive must provide written notice to the Company specifying the event or condition claimed to constitute Good Reason for Executive's resignation within sixty (60) days following the initial existence of such event or condition. The Company must, thereafter, have failed to have cured or corrected such event or condition within sixty (60) days following receipt of the initial notice from Executive and Executive must, then resign from employment and separate from service no later than thirty (30) days after the end of the Company's sixty (60) day cure period. If the Company elects to not cure or correct an event identified in Executive's initial notice, the Company's sixty (60) day cure period shall end on the date written notice is delivered to Executive, triggering Executive's thirty (30) day resignation period. If the Company accepts Executive's resignation from employment, separation from service with the Company will be considered effective thirty (30) days after the Company's acceptance of Executive's resignation.

**6.5 Resignation without Good Reason.** Executive may resign at any time without Good Reason. It is understood that Executive shall provide the Company with sixty (60)

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days' notice of his or her intent to resign; provided, however, that in such a situation the Company reserves the right to terminate Executive's employment at any time after receipt of such notice but shall continue to pay Executive's base Annual Salary for the remainder of the sixty (60) day period following the Company's termination of Executive's employment. Such an early termination of employment by the Company shall not be deemed to be an involuntary termination of Executive's employment by the Company for purposes of this Agreement.

## **7. Section 409A; Certain Excise Taxes.**

**7.1 In-kind Benefits and Reimbursements.** Notwithstanding anything to the contrary in this Agreement or in any Company policy with respect to such payments, in-kind benefits and reimbursements provided under this Agreement during any tax year of Executive shall not affect in-kind benefits or reimbursements to be provided in any other tax year of Executive and are not subject to liquidation or exchange for another benefit.

Notwithstanding anything to the contrary in this Agreement, reimbursement requests must be timely submitted by Executive and, if timely submitted, reimbursement payments shall be made to Executive as soon as administratively practicable following such submission in accordance with the Company's policies regarding reimbursements, but in no event later than the last day of Executive's taxable year following the taxable year in which the expense was incurred. This Section shall only apply to in-kind benefits and reimbursements that would result in taxable compensation income to Executive.

**7.2 Specified Employee Rule.** To the extent applicable, any payments to Executive called for under this Agreement or under the terms of any other plan, agreement or award, that are determined to be payments of deferred compensation to which Code Section 409A is applicable and that are paid by reason of the Executive's separation from service, shall be delayed, to the extent necessary, to avoid a violation of Code Section 409A(a)(2)(B)(i). In general, this Section 7.2 may require that payments of nonqualified deferred compensation to the Executive that would otherwise be made within six (6) months following Executive's separation from service shall be paid on the first day of the seventh (7th) month following Executive's separation from service if Executive is determined to be a "specified employee" as that term is defined in Code Section 409A(a)(2)(B)(i) and related Treasury Regulations.

**7.3 Certain Excise Taxes.** Notwithstanding anything to the contrary in this Agreement, if Executive is a "disqualified individual" (as defined in Section 280G(c) of the Code), and the payments and benefits provided for in this Agreement, together with any other payments and benefits which Executive has the right to receive from the Company or any of its affiliates, would constitute a "parachute payment" (as defined in Section 280G(b)(2) of the Code), then the payments and benefits provided for in this Agreement shall be either (a) reduced (but not below zero) so that the present value of such total amounts and benefits received by Executive from the Company and its affiliates will be one dollar (\$1.00) less than three times Executive's "base amount" (as defined in Section 280G(b)(3) of the Code) and so that no portion of such amounts and benefits received by Executive shall be subject to the excise tax imposed by

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Section 4999 of the Code or (b) paid in full, whichever produces the better net after-tax position to Executive (taking into account any applicable excise tax under Section 4999 of the Code and any other applicable taxes). The reduction of payments and benefits hereunder, if applicable, shall be made by reducing, first, payments or benefits to be paid in cash hereunder in the order in which such payment or benefit would be paid or provided (beginning with such payment or benefit that would be made last in time and continuing, to the extent necessary, through to such payment or benefit that would be made first in time) and, then, reducing any benefit to be provided in-kind hereunder in a similar order. The determination as to whether any such reduction in the amount of the payments and benefits provided hereunder is necessary shall be made by the Company in good faith. If a reduced payment or benefit is made or provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its affiliates) used in determining if a "parachute payment" exists, exceeds one dollar (\$1.00) less than three times Executive's base amount, then Executive shall immediately repay such excess to the Company upon notification that an overpayment has been made. Nothing in this Section 7.2 shall require the Company to be responsible for, or have any liability or obligation with respect to, Executive's excise tax liabilities under Section 4999 of the Code.

## **8. Indemnification.**

**8.1 General.** The Company agrees that if Executive is made a party or is threatened to be made a party to any Proceeding by reason of the fact that Executive is or was a trustee, director or officer of the Company, or any predecessor to the Company (including any sole proprietorship owned by Executive) or any of their affiliates or is or was serving at the request of the Company, any predecessor to the Company (including any sole proprietorship owned by Executive), or any of their affiliates as a trustee, director, officer, member, employee or agent of another corporation or a partnership, joint venture, limited liability company, trust or other enterprise, including, without limitation, service with respect to employee benefit plans, whether or not the basis of such Proceeding is alleged action in an official capacity as a trustee, director, officer, member, employee or agent while serving as a trustee, director, officer, member, employee or agent, Executive shall be indemnified and held harmless by the Company to the fullest extent authorized by Texas or Delaware law, as the same exists or may hereafter be amended, against all Expenses incurred or suffered by Executive in connection therewith, and such indemnification shall continue as to Executive even if Executive has ceased to be an officer, director, trustee or agent, or is no longer employed by the Company and shall inure to the benefit of his or her heirs, executors and administrators.

**8.2 Enforcement.** If a claim or request under this Section 8 is not paid by the Company or on its behalf, within 30 days after a written claim or request has been received by the Company, Executive may at any time thereafter bring an arbitration claim against the Company to recover the unpaid amount of the claim or request and if successful in whole or in part, Executive shall be entitled to be paid also the expenses of prosecuting such suit. All

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obligations for indemnification hereunder shall be subject to, and paid in accordance with, applicable Texas or Delaware law.

**8.3 Partial Indemnification.** If Executive is entitled under any provision of this Agreement to indemnification by the Company for some or a portion of any Expenses, but not, however, for the total amount thereof, the Company shall nevertheless indemnify Executive for the portion of such Expenses to which Executive is entitled.

**8.4 Advances of Expenses.** Expenses incurred by Executive in connection with any Proceeding shall be paid by the Company in advance upon request of Executive that the Company pay such Expenses, but only in the event that Executive shall have delivered in writing to the Company (i) an undertaking to reimburse the Company for Expenses with respect to which Executive is not entitled to indemnification and (ii) a statement of his or her good faith belief that the standard of conduct necessary for indemnification by the Company has been met.

**8.5 Notice of Claim.** Executive shall give to the Company notice of any claim made against Executive for which indemnification will or could be sought under this Agreement. In addition, Executive shall give the Company such information and cooperation as it may reasonably require and as shall be within Executive's power and at such times and places as are convenient for Executive.

**8.6 Defense of Claim.** With respect to any Proceeding as to which Executive notifies the Company of the commencement thereof:

(a) The Company will be entitled to participate therein at its own expense;

(b) Except as otherwise provided below, to the extent that it may wish, the Company will be entitled to assume the defense thereof, with counsel reasonably satisfactory to Executive, which in the Company's sole discretion may be regular counsel to the Company and may be counsel to other officers and directors of the Company or any subsidiary. Executive also shall have the right to employ his or her own counsel in such action, suit or proceeding if Executive reasonably concludes that failure to do so would involve a conflict of interest between the Company and Executive, and under such circumstances the fees and expenses of such counsel shall be at the expense of the Company; and

(c) The Company shall not be liable to indemnify Executive under this Agreement for any amounts paid in settlement of any action or claim effected without its written consent. The Company shall not settle any action or claim in any manner which would impose any penalty that would not be paid directly or indirectly by the Company or limitation on Executive without Executive's written consent. Neither the Company nor Executive will unreasonably withhold or delay their consent to any proposed settlement.

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8.7 **Non-exclusivity.** The right to indemnification and the payment of expenses incurred in defending a Proceeding in advance of its final disposition conferred in this Section 8 shall not be exclusive of any other right which Executive may have or hereafter may acquire under any statute or certificate of incorporation or by-laws of the Company or any subsidiary, agreement, vote of shareholders or disinterested directors or trustees or otherwise.

9. **Miscellaneous.**

9.1 **Legal Fees and Expenses.** If any contest or dispute shall arise between the Company and Executive regarding any provision of this Agreement, Executive shall be liable for all legal fees and expenses incurred by Executive in connection with such contest or dispute.

9.2 **Notices.** Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, sent by courier service, sent by facsimile transmission or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally or sent by facsimile transmission or, if mailed or sent by courier service, on the date of actual receipt thereof, as follows:

if to the Company, to:

Chief Executive Officer, Frederick H. Eppinger  
1360 Post Oak Blvd., Suite 100  
Houston, Texas 77056

if to Executive, to:

Elizabeth Giddens  
115 Creekwood Court  
Southlake, Texas 76092

Any party may change its address for notice hereunder by notice to the other party hereto.

9.3 **Entire Agreement.** This Agreement contains the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior agreements (including but not limited to prior employment agreements and incentive plans and agreements), written or oral, with respect thereto, however, the terms of any benefit plans shall remain in force and effect.

9.4 **Waivers and Amendments.** This Agreement may be amended, superseded, canceled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any waiver on the part of any party of any such right, power or privilege hereunder, nor any single or partial exercise of any right, power or

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privilege hereunder, preclude any other or further exercise thereof or the exercise of any other right, power or privilege hereunder.

9.5 **Governing Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas (without giving effect to the choice of law provisions thereof).

9.6 **Assignment.** This Agreement, and any rights and obligations hereunder, may not be assigned by Executive and may be assigned by the Company only to a successor by merger or purchasers of substantially all of the assets of the Company or its affiliates.

9.7 **Counterparts.** This Agreement may be executed in separate counterparts, each of which when so executed and delivered shall be deemed an original, but all of which together shall constitute one and the same instrument.



9.8 **Headings.** The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

9.9 **No Presumption Against Interest.** This Agreement has been negotiated, drafted, edited and reviewed by the respective parties, and therefore, no provision of this Agreement shall be construed against any party as being drafted by said party.

9.10 **No Duty to Mitigate.** Executive shall not be required to mitigate damages with respect to the termination of his or her employment under this Agreement by seeking other employment or otherwise, and there shall be no offset against amounts due Executive under this Agreement on account of subsequent employment except as specifically provided in this Agreement. Additionally, amounts owed to Executive under this Agreement shall not be offset by any claims the Company may have against Executive, and the Company's obligation to make the payments provided for in this Agreement, and otherwise to perform its obligations hereunder, shall not be affected by any other circumstances, including, without limitation, any counterclaim, recoupment, defense or other right which the Company may have against Executive or others.

9.11 **Dispute Resolution.** If any dispute arises out of or relates to this Agreement, or the breach thereof, Executive and the Company agree to try in good faith to settle the dispute by mediation under the Commercial Mediation Rules of the American Arbitration Association before resorting to arbitration or any other dispute resolution procedure. If the parties are unable to settle the dispute by mediation as provided in the preceding sentence within 30 days of a written demand for mediation, any claim, controversy or dispute arising out of or relating to this Agreement, or the breach thereof, shall be settled by binding arbitration before one (1) arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be conducted in English and held in Houston, Harris County, Texas, or such other location to which the parties mutually agree. The arbitrator shall among other things determine the validity, scope, interpretation and enforceability of this arbitration clause. The award shall be a reasoned award and rendered within 30 days of the

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conclusion of the arbitration hearing. The decision of the arbitrator shall be final and binding and judgment upon the award rendered may be entered in any court having jurisdiction thereof. Notwithstanding the foregoing provisions of this Section 9.11, the Company may seek injunctive relief from a court of competent jurisdiction located in Harris County, Texas, in the event of a breach or threatened breach of any covenant contained in [Section 5](#).

9.12 **Binding Agreement.** This Agreement shall inure to the benefit of and be binding upon the Company and its respective successors and assigns and Executive and Executive's legal representatives.

IN WITNESS WHEREOF, this Agreement, effective as of the Effective Date, has been entered into and executed on December 27, 2022.

**EXECUTIVE:**

Elizabeth Giddens

Date: \_\_\_\_\_

**COMPANY:**

STEWART INFORMATION SERVICES CORPORATION

By: \_\_\_\_\_

Name: Frederick H. Eppinger

Title: Chief Executive Officer

Date: \_\_\_\_\_

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## Exhibit A

### Stewart Title Guaranty Company, Stewart Title Company and Affiliates Confidentiality, Non-Solicit, and Non-Compete Agreement

This Confidentiality, Non-Solicit, and Non-Compete Agreement ("Agreement") is entered into between the undersigned individual ("I", "me", or "Employee") and Stewart Title Guaranty Company, Stewart Title Company, or an affiliated company ("Employer"), for the benefit of Stewart Title Guaranty Company, and its parents, subsidiaries, affiliates, successors, and assigns to or for which Employee provides services, including Employer (collectively the "Company"). I understand the Company is in the business of providing global real estate services, including residential and commercial title insurance and closing and settlement services, offering products and services through its direct operations, network of Stewart Trusted Providers and family of companies, (the Company's "Business" or "line of business"), and seeks to employ me in a position of trust and confidence related to this line of business, and I wish to be employed in such a position. In consideration of my employment and the compensation and other benefits received as a consequence thereof, and the other mutual promises and representations of the parties made herein, the parties agree as follows:

**1. Position of Trust and Confidence.** In reliance upon the promises made by me in this Agreement, the Company will provide me with access to Confidential Information (including trade secrets) related to my position, and may also provide me specialized training related to the Company's Business and/or the opportunity to develop relationships with the Company's employees, business contacts (customers and others) and agents for the purpose of developing goodwill for the Company. I agree that my receipt of the foregoing would give me an unfair competitive advantage if my activities during employment, and for a reasonable period thereafter, were not restricted as provided for in this Agreement.

**2. Confidential Information and Company Property.** Subject to Paragraph 6, I agree to use Company's Confidential Information only in the performance of my duties, to hold such information in confidence and trust, and not to engage in any unauthorized use or disclosure of such information during my employment and for so long thereafter as such information qualifies as Confidential Information. "Confidential Information" means an item of information or compilation of information in any form (tangible or intangible) related to the Company's Business that I acquire or gain access to during my employment that the Company has not authorized public disclosure of, and that is not readily available to the public or persons outside the Company. By way of example and not limitation, Confidential Information is understood to include: lists and records, contact information, private contract terms, business preferences, and historical transaction data regarding existing and prospective customers; non-public records and data regarding the Company's financial performance; business plans and strategies, forecasts and analyses; internal business methods and systems, know how, and innovations; marketing plans, research and analysis; unpublished pricing information, and variables such as costs, discounting options, and profit margins; business sale and acquisition opportunities identified by the

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Company and related analysis; records of private dealings with vendors, suppliers, and distributors; and Company trade secrets. I acknowledge that items of Confidential Information are the Company's valuable assets and have economic value because they are not generally known by the public or others who could use them to their own economic benefit and/or to the competitive disadvantage of the Company. I agree that all records, in any form (such as email, database, correspondence, notes, files, contact lists, drawings, specifications, spreadsheets, manuals, and calendars) that contain Confidential Information or otherwise relate to the Company's Business, with the exception of wage and benefit related materials provided to me as an employee for my own use as an employee, are the property of the Company (collectively "Company Records"). I will follow all Company policies

regarding use or storage of Company Records, and return all such records (including all copies) when my employment with Company ends or sooner if requested.

Confidential Information does not include information lawfully acquired by a non-management employee about wages, hours or other terms and conditions of employment when used for purposes protected by §7 of the National Labor Relations Act such as joining or forming a union, engaging in collective bargaining, or engaging in other concerted activity for mutual aid or protection of laborers. For purpose of clarity, it shall still be a violation of this Agreement for a non-management employee to wrongfully compete by sharing Confidential Information with a competitor about other employees' compensation and benefits which was obtained through the course of employment with the Company for purposes of assisting such competitor in soliciting Company employees.

**3. Protective Covenants.** In order to protect the Company's Confidential Information (including trade secrets) and key business relationships, I agree that for a period of one (1) year after my employment ends (irrespective of which party ends the relationship or why it ends), I will not:

(a) solicit any employee of Company that I gained knowledge of through my employment with Employer (a "**Covered Employee**") to leave the employment of the Company; or,

(b) hire, attempt to hire, or assist in hiring any Covered Employee on behalf of a Competing Business; or,

(c) solicit, or attempt to solicit a Covered Customer or Key Relationship (terms separately defined below), as defined below, for the purpose of doing any business that would compete with the Company's Business, or

(d) knowingly engage in any conduct that is intended to cause, or could reasonably be expected to cause the Covered Customer or Key Relationship to stop or reduce doing business with the Company, or that would involve diverting business opportunities away from the Company; or,

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(e) provide services for the benefit of a Competing Business within the Territory (terms separately defined below) that are the same or similar in function or purpose to those I provided to the Employer during the Look Back Period; or

(f) take on any other responsibilities for a Competing Business that would involve the probable use or disclosure of Confidential Information or the conversion of Covered Customers or Key Relationships to the benefit of a Competing Business or detriment of the Company.

Nothing herein is intended or to be construed as a prohibition against general advertising such as "help wanted" ads that are not targeted at the Company's employees. This Agreement is not intended to prohibit: (i) employment with a non-competitive independently operated subsidiary, division, or unit of a family of companies that include a Competing Business, so long as the employing independently operated business unit is truly independent and my services to it do not otherwise violate this Agreement; or, (ii) a passive and non-controlling ownership of less than 2% of the stock in a publicly traded company. Further, nothing herein is intended to preclude conduct protected by Section 7 of the NLRA such as joining or forming a union, engaging in collective bargaining, or engaging in other concerted activity for mutual aid and protection.

**"Competing Business"** means any person or entity that engages in (or is planning to engage in) a business that competes with a portion of the Company Business that I had involvement with or access to Confidential Information during the last two years of my employment (or such shorter period of time as I am employed)(the "**Look Back Period**"). **"Covered Customer"** means a customer that I had material business-related contact or dealings with or received Confidential Information about during the Look Back Period. **"Key Relationships"** refers to a person or entity with an ongoing business relationship with the Company (including vendors, agents, and contractors) that I had material business-related contact or dealings with during the Look Back Period. **"Territory"** means the geographic territory(ies) assigned to me by Company during the Look Back Period (by state, county, or other recognized geographic boundary used in the Company's business); and, if I have no such specifically assigned geographic territory then: (i) those states and counties in which Company does business that I participated in and/or about which I was provided access to Confidential Information during the Look Back Period; and, (ii) the state and county where I reside and the states and counties contiguous thereto. I am responsible

for seeking clarification from the Company's Human Resources department if it is unclear to me at any time what the scope of the Territory is. State and county references include equivalents.

**4. Severability and Special Remedies.** Each of my obligations under this Agreement shall be considered a separate and severable obligation. If a court determines that a restriction in this Agreement cannot be enforced as written due to an overbroad limitation (such as time, geography, or scope of activity), the parties agree that the court shall reform or modify the restrictions or enforce the restrictions to such lesser extent as is allowed by law. If, despite the foregoing, any provision contained in this Agreement is determined to be void or unenforceable, in whole or in part, then the other provisions of this Agreement will remain in full force and

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effect. The parties agree that the Company will suffer irreparable harm, in addition to any damages that can be quantified, by a breach of this Agreement by me. Accordingly, in the event of such a breach or a threatened breach, the Company will be entitled to all remedies that may be awarded by a Court of competent jurisdiction, recovery of its attorneys' fees and expenses (including not only costs of court, but also expert fees, travel expenses, and other expenses incurred), and any other legal or equitable relief allowed by law.

**5. Choice of Law and Venue.** The Parties agree that the law of the State in which the Employee primarily resides and was last employed by the Employer shall govern the interpretation, application, and enforcement of this Agreement, without regard to any choice of law rules of that or any other state. All disputes arising out of this Agreement or concerning the interpretation or enforcement of this Agreement shall be exclusively brought in the state and federal courts covering Harris County, Texas. Employee hereby expressly consents to the personal jurisdiction of the state and federal courts located in Harris County, Texas, for any lawsuit arising from or relating to this Agreement.

**6. Agreement Limitations.** Nothing in this Agreement prohibits me from reporting an event that I reasonably and in good faith believe is a violation of law to the relevant law-enforcement agency (such as the Securities and Exchange Commission or Department of Labor), requires notice to or approval from the Company before doing so, or prohibits me from cooperating in an investigation conducted by such a government agency. This may include a disclosure of trade secret information provided that it must comply with the restrictions in the Defend Trade Secrets Act of 2016 (DTSA). The DTSA provides that no individual will be held criminally or civilly liable under Federal or State trade secret law for the disclosure of a trade secret that: (i) is made in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and made solely for the purpose of reporting or investigating a suspected violation of law; or, (ii) is made in a complaint or other document if such filing is under seal so that it is not made public. Also, an individual who pursues a lawsuit for retaliation by an employer for reporting a suspected violation of the law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual files any document containing the trade secret under seal, and does not disclose the trade secret, except as permitted by court order. To the extent that I am covered by Section 7 of the National Labor Relations Act (NLRA) because I am not in a supervisor or management role, nothing in this Agreement shall be construed to prohibit me from using information I acquire regarding the wages, benefits, or other terms and conditions of employment at the Company for any purpose protected under the NLRA. I understand that under the NLRA, covered employees have a right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in other concerted activities for the purpose of collective bargaining or other mutual aid or protection, and to refrain from any or all of such activities.

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**7. Intellectual Property Protection and Assignment.** Employee is expected to use his or her inventive and creative capacities for the benefit of the Employer and to contribute, where possible, to the Employer's intellectual property in the ordinary course of employment.

(a) **Definitions.** "Inventions" mean any inventions, software source code, discoveries, improvements, designs, processes, machines, products, innovations, business methods or systems, know how, ideas or concepts of commercial value or utility, and related technologies or methodologies, whether or not shown or described in writing or reduced to practice and whether patentable or not. "Works" mean original works of authorship, including, but not limited to: literary works (including all written material), mask works, computer programs, formulas, tests, notes, data compilations, databases, artistic and graphic works (including designs, graphs, drawings, blueprints, and other works), recordings, models, photographs, slides, motion pictures, and audio visual works; whether copyrightable or not, and regardless of the form or manner in which documented or recorded. "Trademarks" mean any trademarks, trade dress or names, symbols, special wording or devices used to identify a business or its business activities whether subject to trademark protection or not. The foregoing is collectively referred to in this Agreement as "Intellectual Property."

(b) **Inventions Assignment.** I agree to and do hereby grant and assign to Employer or its nominee my entire right, title and interest in and to all Inventions that are made, conceived, or reduced to practice by me, alone or jointly with others, during my employment with Employer (whether during working hours or not) that either (i) relate to Employer's business, or actual or demonstrably anticipated research or development of the Employer, or (ii) involve the use or assistance of any tools, time, material, personnel, information, or facility of the Employer, or (iii) result from or relate to any work, services, or duties undertaken by me for the Employer.

(c) **Works and Trademarks.** I recognize that all Works and Trademarks conceived, created, or reduced to practice by me, alone or jointly with others, during my employment shall to the fullest extent permissible by law be considered the Employer's sole and exclusive property and "works made for hire" as defined in the U.S. Copyright Laws for purposes of United States law and the law of any other country adhering to the "works made for hire" or similar notion or doctrine, and will be considered the Employer's property from the moment of creation or conception forward for all purposes without the need for any further action or agreement by Employee or the Employer. If any such Works, Trademarks or portions thereof shall not be legally qualified as a works made for hire in the United States or elsewhere, or shall subsequently be held to not be a work made for hire or not the exclusive property of the Employer, I do hereby assign to Employer all of my rights, title and interest, past, present and future, to such Works or Trademarks. I will not engage in any unauthorized publication or use of such Company Works or Trademarks, nor will I use same to compete with or otherwise cause damage to the business interests of the Employer.

(d) **Waiver, License and Cooperation Obligation.** It is the purpose and intent of this Agreement to convey to Employer all of the rights (inclusive of moral rights) and interests of every kind, that I may hold in Inventions, Works, Trademarks and other intellectual property that

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are covered by Paragraphs 7 (a) – (c) above ("Company Intellectual Property"), past, present and future; and, Employee waives any right that Employee may have to assert moral rights or other claims contrary to the foregoing understanding. It is understood that this means that in addition to the original work product (be it invention, plan, idea, know how, concept, development, discovery, process, method, or any other legally recognized item that can be legally owned), the Employer exclusively owns all rights in any and all derivative works, copies, improvements, patents, registrations, claims, or other embodiments of ownership or control arising or resulting from an item of assigned Intellectual Property everywhere such may arise throughout the world. The decision whether or not to commercialize or market any Company Intellectual Property is within the Employer's sole discretion and for the Employer's sole benefit and no royalty will be due to Employee as a result of the Employer's efforts to commercialize or market any such invention. In the event that there is any Invention, Work, Trademark, or other form of intellectual property that is incorporated into any product or service of the Employer that Employee retains any ownership of or rights in despite the assignments created by this Agreement, then Employee does hereby grant to the Employer and its assigns a nonexclusive, perpetual, irrevocable, fully paid-up, royalty-free, worldwide license to the use and control of any such item that is so incorporated and any derivatives thereof, including all rights to make, use, sell, reproduce, display, modify, or distribute the item and its derivatives. All assignments of rights provided for in this Agreement are understood to be fully completed and immediately effective and enforceable assignments by Employee of all intellectual property rights in Company Intellectual Property. When requested to

do so by Employer, either during or subsequent to employment with Employer, Employee will (i) execute all documents requested by Employer to affirm or effect the vesting in Employer of the entire right, title and interest in and to the Company Intellectual Property at issue, and all patent, trademark, and/or copyright applications filed or issuing on such property; (ii) execute all documents requested by Employer for filing and obtaining of patents, trademarks and/or copyrights; and (iii) provide assistance that Employer reasonably requires to protect its right, title and interest in the Company Intellectual Property, including, but not limited to, providing declarations and testifying in administrative and legal proceedings with regard to Company Intellectual Property. Power of Attorney: Employee does hereby irrevocably appoint the Employer as its agent and attorney in fact to execute any documents and take any action necessary for applications, registrations, or similar measures needed to secure the issuance of letters patent, copyright or trademark registration, or other legal establishment of the Employer's ownership and control rights in Company Intellectual Property in the event that Employee's signature or other action is necessary and cannot be secured due to Employee's physical or mental incapacity or for any other reason.

(e) **Records and Notice Obligations.** Employee will make and maintain, and not destroy, notes and other records related to the conception, creation, discovery, and other development of Company Intellectual Property. These records shall be considered the exclusive property of the Employer and are covered by Paragraphs 1 and 3 above. During employment and for a period of one (1) year thereafter, Employee will promptly disclose to the Employer (without revealing the trade secrets of any third party) any Intellectual Property that Employee creates, conceives, or contributes to, alone or with others, that involve, result from, relate to, or may reasonably be

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anticipated to have some relationship to the line of business the Employer is engaged in or its actual or demonstrably anticipated research or development activity.

(f) **Prior Intellectual Property.** Employee will not claim rights in, or control over, any Invention, Work, or Trademark as something excluded from this Agreement because it was conceived or created prior to being employed by Employer (a "Prior Work") unless such item is identified on Appendix B and signed by Employee as of the date of this Agreement. Employee will not incorporate any such Prior Work into any work or product of the Employer without prior written authorization from the Employer to do so; and, if such incorporation does occur, Employee grants Employer and its assigns a nonexclusive, perpetual, irrevocable, fully paid-up, royalty-free, worldwide license to the use and control of any such item that is so incorporated and any derivatives thereof, including all rights to make, use, sell, reproduce, display, modify, or distribute the item and its derivatives.

(g) **Notice.** To the extent that Employee is a citizen of California and subject to its law, then Employee is notified that the foregoing assignment shall not include inventions excluded under Cal. Lab. Code § 2870 which provides: "(a) Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either: (1) relate at the time of concept or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or (2) result from any work performed by the employee for the employer", and to the extent Employee is a citizen of and subject to the law of another state which provides a similar limitation on invention assignments then Employee is notified that the foregoing assignment shall not include inventions excluded under such law (namely, Delaware Code Title 19 Section 805; Illinois 765ILCS1060/1-3, "Employees Patent Act"; Kansas Statutes Section 44-130; Minnesota Statutes 13A Section 181.78; North Carolina General Statutes Article 10A, Chapter 66, Commerce and Business, Section 66-57.1; Utah Code Sections 34-39-1 through 34-39-3, "Employment Inventions Act"; Washington Rev. Code, Title 49 RCW: Labor Regulations, Chapter 49.44.140).

**7. Survival, All Duties and At-Will Status Preserved.** Nothing in this Agreement limits or reduces any common law or statutory duty I owe to the Company, nor does this Agreement limit or eliminate any remedies available to the Company for a violation of such duties. This Agreement will survive the expiration or termination of Employee's employment with the Company and/or any assignee pursuant to Paragraph 9 and shall, likewise, continue to apply and be valid notwithstanding any change in the Employee's duties, responsibilities, position, or title. Nothing in this Agreement modifies the parties' at-will employment relationship or limits either party's right to end the employment relationship between them.

8. **Tolling.** If Employee fails to comply with a timed restriction in this Agreement, the time period for that will be extended by one day for each day Employee is found to have violated the restriction, up to a maximum of twelve (12) months.

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9. **Assignment.** This Agreement, including the restrictions on Employee's activities set forth herein, also apply to any parent, subsidiary, affiliate, successor and assign of the Company to which Employee provides services or about which Employee receives Confidential Information. The Company shall have the right to assign this Agreement at its sole election without the need for further notice to or consent by Employee.

**AGREED:**

Employee:

(signature)

(name printed)

Date: \_\_\_\_\_

For Company:

By: \_\_\_\_\_

Title: Chief Executive Officer

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**APPENDIX A**

**Arizona:**

If Employee resides in Arizona and is subject to Arizona law, then the following applies to Employee: (a) Employee's nondisclosure obligation in Paragraph 2 shall extend for a period of three (3) years after Employee's termination as to Confidential Information that does not qualify for protection as a trade secret. Trade Secret information shall be protected from disclosure as long as the information at issue continues to qualify as a trade secret; and (b) the restrictions in Paragraph 3 shall be limited to the Territory.

**California:**

If Employee resides in California, then the following applies to Employee: (a) the no-hire provision in Paragraph 3(b) shall not apply; (b) Paragraph 3(c)-(d) shall be limited to situations where Employee is aided in his or her conduct by the use or disclosure of the Company's trade secrets (as

defined by California law); (c) the noncompetition restrictions in Paragraph 3(e) and (f) shall not apply; (d) the provision in Paragraph 4 allowing the Company to recover its attorneys' fees and expenses shall not apply; and (e) the venue provision in Paragraph 5 shall not apply.

**Oklahoma:**

For so long as Employee resides in Oklahoma and is subject to Oklahoma law, the noncompetition restrictions in Paragraph 3(e) and (f) shall not apply.

**Oregon:**

For so long as Employee resides in Oregon and is subject to Oregon law, the restrictions in Paragraph 3(e) and (f) shall only apply if Employee: (a) is engaged in administrative, executive or professional work and performs predominantly intellectual, managerial, or creative tasks, exercises discretion and independent judgment and earns a salary or is otherwise exempt from Oregon's minimum wage and overtime laws; (b) the Company has a "protectable interest" (meaning, access to trade secrets or competitively sensitive confidential business or professional information); and (c) the total amount of the Employee's annual gross salary and commission, calculated on an annual basis, at the time of the Employee's termination, exceeds the median family income for a family of four, as determined by the United States Census Bureau. However, if Employee does not meet requirements of either (a) or (c) (or both), the

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Company may, on a case-by-case basis, decide to make Paragraphs 3(e) and (f) enforceable as to Employee (as allowed by Oregon law), but paying the Employee during the period of time the Employee is restrained from competing the greater of: (i) compensation equal to at least 50 percent of the Employee's annual gross base salary and commissions at the time of the Employee's termination; or (ii) fifty percent of the median family income for a four-person family, as determined by the United States Census Bureau for the most recent year available at the time of the Employee's termination.

**Wisconsin:**

For so long as Employee resides in Wisconsin and is subject to Wisconsin law: (a) Employee's nondisclosure obligation in Paragraph 2 shall extend for a period of three (3) years after Employee's termination as to Confidential Information that does not qualify for protection as a trade secret. Trade Secret information shall be protected from disclosure as long as the information at issue continues to qualify as a trade secret; (b) Paragraph 8 shall not apply; and (c) Paragraph 3(a) and (b) is rewritten as follows: "While employed and for a period of one (1) year from the date of the termination of Employee's employment, I will not participate in soliciting any Covered Employee of the Company that is in a Sensitive Position to leave the employment of the Company on behalf of (or for the benefit of) a Competing Business nor will I knowingly assist a Competing Business in efforts to hire a Covered Employee away from the Company. As used in this paragraph, an employee is a "Covered Employee" if the employee is someone with whom Employee worked, as to whom Employee had supervisory responsibilities, or regarding which Employee received Confidential Information during the Look Back Period. An employee in a "Sensitive Position" refers to an employee of the Company who is in a management, supervisory, sales, research and development, or similar role where the employee is provided Confidential Information or is involved in business dealings with the Company's customers."

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## APPENDIX B

### Statement Regarding Prior Inventions, Works & Trademarks

Employee seeks to exclude his or her Prior Works (Invention, Work, or Trademark) listed below from assignment to the Employer under Paragraph 7(f) of the attached Agreement (if there are none, write "none" or leave the section below blank):

Employee agrees not to disclose the trade secrets of any third party in describing the Prior Work. If additional pages are attached to provide a description, this fact and the number of pages attached are described above.

Employee:

Date:

(signature)

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EXHIBIT 31.1

## CERTIFICATION

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Frederick H. Eppinger, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stewart Information Services Corporation (registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:



- (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
- (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
- (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
- (d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: **August 6, 2024** November 6, 2024

/s/ Frederick H. Eppinger

Name: Frederick H. Eppinger

Title: Chief Executive Officer

**EXHIBIT 31.2**

## CERTIFICATION

Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, David C. Hisey, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Stewart Information Services Corporation (registrant);
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

- (a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 6, 2024 November 6, 2024

/s/ David C. Hisey

Name: David C. Hisey  
Title: Chief Financial Officer and Treasurer

EXHIBIT 32.1

#### CERTIFICATION

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Stewart Information Services Corporation (the "Company") on Form 10-Q for the period ending June 30, 2024 September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frederick H. Eppinger, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 6, 2024 November 6, 2024

/s/ Frederick H. Eppinger

Name: Frederick H. Eppinger  
Title: Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to Stewart Information Services Corporation and will be retained by Stewart Information Services Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

#### CERTIFICATION

PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Stewart Information Services Corporation (the "Company") on Form 10-Q for the period ending June 30, 2024 September 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, David C. Hisey, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 6, 2024 November 6, 2024

/s/ David C. Hisey

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Name: David C. Hisey

Title: Chief Financial Officer and Treasurer

A signed original of this written statement required by Section 906 has been provided to Stewart Information Services Corporation and will be retained by Stewart Information Services Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

#### DISCLAIMER

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