Responsible Choices

ANNUAL INFORMATION FORM
For the year ended December 31, 2019

Industrial Alliance Insurance and Financial Services Inc.

March 27, 2020

iA Financial Group

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Reporting

General Information

The Corporation's name is "Industrial Alliance Insurance and Financial Services Inc." (hereafter "**iA Insurance**" or the "**Corporation**").

Unless otherwise indicated, all information presented in this *Annual Information Form* is established as at December 31, 2019 or for the year ended on that date, and is presented on a consolidated basis. All amounts indicated in this *Annual Information Form* are denominated in Canadian dollars unless otherwise specified. The Corporation's results and financial statements are presented in accordance with the International Financial Reporting Standards ("**IFRS**"), and in accordance with the accounting requirements prescribed by the regulatory authorities. This *Annual Information Form* was filed on the SEDAR website (the System for Electronic Document Analysis and Retrieval) at sedar.com on March 27, 2020 under iA Insurance's profile.

Documents Incorporated by Reference

This document should be read in conjunction with the following documents from iA Insurance, certain parts of which are incorporated by reference:

— Management's Discussion and Analysis for the year ended December 31, 2019 ("**Management's Discussion and Analysis**"). Management's Discussion and Analysis was filed on the SEDAR website on February 13, 2020; and

— the Consolidated Financial Statements for the years ended December 31, 2019 and 2018, including the *Notes to Consolidated Financial Statements* (the "**Consolidated Financial Statements**"). The Consolidated Financial Statements were filed on the SEDAR website on February 13, 2020.

These documents were filed with the securities regulatory authorities of Canada and can be consulted on the SEDAR website at sedar.com. They are also available on the Corporation's website at ia.ca/investorrelations. All references found in this *Annual Information Form* are made to parts of the documents filed on SEDAR on the dates indicated above.

Non-IFRS Financial Information

iA Insurance reports its financial results and statements in accordance with IFRS. However, the Corporation also publishes certain financial measures that are not based on IFRS ("**non-IFRS**"). A financial measure is considered a non-IFRS measure for Canadian securities law purposes if it is presented other than in accordance with the generally accepted accounting principles used for the Corporation's audited financial statements. These non-IFRS financial measures are often accompanied by and reconciled with IFRS financial measures. For certain non-IFRS financial measures, there are no directly comparable measures under IFRS. The Corporation believes that these non-IFRS measures provide additional information to better understand its financial results and assess its growth and earnings potential, and that they facilitate comparison of the quarterly and full-year results of its ongoing operations. Since non-IFRS measures do not have standardized definitions and meaning, they may differ from the non-IFRS measures used by other institutions and should not be viewed as an alternative to measures of financial performance determined in accordance with IFRS. The Corporation strongly encourages investors to review its financial statements and other publicly-filed reports in their entirety and not to rely on any single financial measure.

Non-IFRS financial measures published by the Corporation include, but are not limited to: return on common shareholders' equity, sales, assets under management (AUM), assets under administration (AUA), capital and the solvency ratio.

Sales is a non-IFRS measure used to assess the Corporation's ability to generate new business. They are defined as fund entries on new business written during the period. Net premiums, which are part of the revenues presented in the financial statements, include both fund entries from new business written and in-force contracts. Assets under management and administration is a non-IFRS measure used to assess the Corporation's ability to generate fees, particularly for investment funds and funds under administration. An analysis of revenues by sector is presented in the Profitability section of the annual Management's Discussion and Analysis.

Forward-Looking Statements

This *Annual Information Form* may contain statements relating to strategies used by iA Insurance or statements that are predictive in nature, that depend upon or refer to future events or conditions, or that include words such as "may", "will", "could", "should", "would", "suspect", "expect", "anticipate", "intend", "plan", "believe", "estimate", and "continue" or their future (or the negative thereof), as well as words such as "objective" or "goal" or other similar words or expressions. Such statements constitute forward-looking statements within the meaning of securities laws. In this *Annual Information Form*, forward-looking statements include, but are not limited to, information concerning possible or assumed future operating results.

Although iA Insurance believes that the expectations reflected in such forward-looking statements are reasonable, such statements involve risks and uncertainties, and undue reliance should not be placed on such statements. Certain material factors or assumptions are applied in making forward-looking statements, and actual results may differ materially from those expressed or implied in such statements. Factors that could cause actual results to differ materially from expectations include, but are not limited to: general business and economic conditions; level of competition and consolidation; changes in laws and regulations including tax laws; liquidity of iA Insurance including the availability of financing to meet existing financial commitments on their expected maturity dates when required; accuracy of information received from counterparties and the ability of counterparties to meet their obligations; accuracy of accounting policies and actuarial methods used by iA Insurance; insurance risks including mortality, morbidity, longevity and policyholder behaviour, in particular the occurrence of natural or man-made disasters, pandemic diseases and acts of terrorism.

Additional information about the material factors that could cause actual results to differ materially from expectations and about material factors or assumptions applied in making forward-looking statements may be found in the "Risk Management" section of the annual Management's Discussion and Analysis and in the "Management of Risks Associated with Financial Instruments" note to the audited consolidated financial statements for the year ended December 31, 2019, and elsewhere in iA Insurance's filings with Canadian securities regulators, which are available for review at sedar.com.

The forward-looking statements in this *Annual Information Form* reflect the Corporation's expectations as of the date of this *Annual Information Form*. iA Insurance does not undertake to update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this document or to reflect the occurrence of unanticipated events, except as required by law.

Corporate Structure

Name, Address and Incorporation

Industrial Alliance Insurance and Financial Services Inc.

iA Insurance, formerly known as Industrial-Alliance Life Insurance Company, is a life insurance stock company governed by the *Act respecting Industrial-Alliance Life Insurance Company* (Quebec) (the "**1999 Private Bill**"), as amended by the *Act to amend the Act respecting Industrial-Alliance Life Insurance Company* (Quebec) (the "**2018 Private Bill**"), collectively with the 1999 Private Bill, the "**Private Bill**") and by the *Insurers Act* (Quebec) (the "**Insurers Act**") and by the *Business Corporations Act* (Quebec) (the latter two collectively called the "**Act**").

iA Insurance is the result of the conversion of Industrial-Alliance Life Insurance Company, formerly a mutual insurance company (the "**Mutual Insurance Company**"), into a stock company pursuant to the 1999 Private Bill, which was assented to by the National Assembly of Quebec on November 26, 1999, and the issuance, on February 10, 2000, by the Inspector General of Financial Institutions (Quebec) (now the *Autorité des marchés financiers*, hereinafter the "**AMF**"), of Letters Patent confirming the conversion by-law.

The Mutual Insurance Company itself resulted from the merger, in 1987, of Industrial Life Insurance Company, founded in 1905, and Alliance Mutual Life Insurance Company, founded in 1892.

In 2003, the Corporation amended its charter to adopt its current corporate name, Industrial Alliance Insurance and Financial Services Inc., and to modify its share capital so as to create the non-cumulative dividend Class A Preferred Shares, Series A, Series YY and Series ZZ. The Corporation's charter was thereafter amended in 2006, 2008, 2009, 2010, 2012 and 2018 to create the non-cumulative dividend Class A Preferred Shares, Series B, Series C, Series D, Series E, Series F, Series G, Series H, Series I and Series J. For a detailed description of the capital structure of the Corporation, please refer to the section "Capital Structure" on page 14 of this *Annual Information Form*. In 2011, the charter of the Corporation was amended to allow the appointment of additional directors by the Board of Directors between annual meetings of shareholders. On June 30, 2012, the Corporation merged with its subsidiary, Industrial Alliance Pacific Insurance and Financial Services Inc. Finally, on January 1, 2019, articles of amendment were filed in order to give effect to the Plan of Arrangement for the implementation of the new holding company, iA Financial Corporation Inc. ("**iA Financial Corporation**"). iA Financial Corporation holds all the Common Shares of iA Insurance and, subject to the following, it is the only entity authorized to vote at iA Insurance's annual meeting of shareholders. As with many other insurance companies in Quebec and Canada, iA Insurance has issued participating insurance policies which, under federal and provincial legislation, provide their owners with the right to attend the annual meetings of the Corporation and the right to elect at least one-third of the members of its board, with one vote per policyholder. All other directors of the Corporation are elected by the sole common shareholder, iA Financial Corporation, in accordance with the Act and the by-laws of the Corporation.

The head office of iA Insurance and of its parent company, iA Financial Corporation, is located at 1080 Grande Allée West, Quebec City, QC G1S 1C7.

Intercorporate Relationships

iA Insurance operates as an operating company and through a group of subsidiaries. The main subsidiaries of iA Insurance, including its direct and indirect subsidiaries, are listed in Note 29 "Subsidiaries" to the Consolidated Financial Statements on page 78. These companies were incorporated under the rules governing Canadian business corporations or under provincial or state rules applicable in the territory in which their head office is located. For more information on the operations of iA Insurance and its subsidiaries, please refer to the "Business Growth" section on pages 5 and 6 of Management's Discussion and Analysis.

General Development of the Business

Three-Year History

iA Insurance and its subsidiaries have pursued their development plan over the last three years. The Corporation's main areas of development during such period can be grouped into three broad categories: (i) important acquisitions, disposals or mergers, (ii) financial management initiatives and (iii) strategic initiatives.

For more information about the Corporation's acquisitions and dispositions during the past three years, please read Note 4 "Acquisition of Businesses" of the Consolidated Financial Statements for the years 2017, 2018 and 2019 (page 22 in 2019).

Major Acquisitions, Disposals and Mergers

— On March 2, 2020, the Corporation announced that it had entered into an agreement for the sale of iA Investment Counsel Inc. ("iAIC") with CWB Financial Group. iAIC is comprised of two private management firms, T.E. Wealth and Leon Frazer & Associates. Founded in 1972 and 1939 respectively, the entities were components of the Corporation's wealth management division. The transaction is expected to close in the period from May to July 2020.

— On January 1, 2020, iA Insurance merged with its subsidiaries The Excellence Life Insurance Company and Corporation financière L'Excellence ltée. The merger was announced publicly on September 25, 2019.

— On February 27, 2018, the Corporation completed the acquisition of the units of the private corporation PPI Management Inc. ("**PPI**"). Established in 1978, PPI is a leading insurance marketing and distribution organization in Canada and offers actuarial, tax and specialized expertise in all aspects of life insurance, and specifically in its design and custom application. PPI has a national distribution network of over 3,000 advisors.

— On January 23, 2018, the Corporation completed the acquisition of the units of the American private company Dealers Assurance Company and Southwest Reinsure, Inc. (collectively called "**DAC**"). Established in 1985 and with offices primarily in the southwestern United States, DAC manufactures and distributes vehicle service contracts (or extended warranties) through a cross-country network of new and used car dealers in the United States.

— On August 4, 2017, the Corporation completed the acquisition of HollisWealth from Scotiabank. HollisWealth provides diversified investment and wealth management services to individuals, families and corporations, and was the fourth-largest independent advisor network in Canada, with $33 billion in assets under management, 800 licensed advisors, 400,000 active client accounts and over 300 offices across Canada. Through this strategic acquisition, the Corporation became one of the two largest independent wealth management distribution networks in Canada.

Financial Management Initiatives

- On May 16, 2019, the Corporation completed the redemption of all of its outstanding 2.80% Subordinated Debentures due May 16, 2024, with a par value of $250 million.
- Normal Course Issuer Bid – On November 12 2018, the Corporation implemented a normal course issuer bid enabling it to redeem, over the next 12 months, up to 5% of its issued and outstanding Common Shares as at November 1, 2018. Note that the Corporation's share repurchase program was transferred to iA Financial Corporation on January 1, 2019. Between November 12, 2018 and November 11, 2019, iA Financial Corporation and the Corporation collectively repurchased and cancelled 3,905,011 Common Shares.
- Common Share issue – On March 7, 2018, the Corporation closed a bought deal public offering of 2,500,000 Common Shares at a price of $54.10 per Common Share, for gross proceeds of $135,250,000, purchased by a syndicate of underwriters including TD Securities Inc., National Bank Financial Inc., RBC Dominion Securities Inc., Scotia Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc. and Industrial Alliance Securities Inc. In the context of the same issue, under the over-allotment option, the Corporation issued, on March 12, 2018, 250,000 additional Common Shares, also at a price of $54.10 per Common Share, for gross proceeds of $13,525,000. The shares were issued under a prospectus supplement dated February 28, 2018 to the short form base shelf prospectus dated June 22, 2017.
- Preferred Share issue – On March 7, 2018, the Corporation closed an offering of $150 million principal amount of 4.80% Non-Cumulative 5-Year Rate Reset Class A Preferred Shares Series I. Subject to prior approval of the AMF, iA Insurance may redeem these Preferred Shares, in whole or in part, on March 31, 2023 and on March 31 of every fifth year thereafter. The Preferred Shares were issued under a prospectus supplement dated February 28, 2018 to the short form base shelf prospectus dated June 22, 2017.
- On June 30, 2017, the annual dividend rate for Class A – Series G Preferred Shares was revised. Holders of Class A – Series G Preferred Shares are entitled to receive fixed non-cumulative cash dividends as and when declared by the Corporation's Board of Directors, payable quarterly and subject to the *Insurers Act*. The dividend rate for the five-year period starting June 30, 2017 and ending on but excluding June 30, 2022 is 3.777% per year, or $0.2360625 per quarter ($0.94425 per year), or the equivalent of the five-year Government of Canada bond yield as of May 31, 2017 plus 2.85% determined in accordance with the terms and conditions of Class A – Series G Preferred Shares.

Strategic Initiatives

- The Corporation believes that technology will change the way in which financial products and services will be sold in the future. In this regard, the Corporation adapts its practices to make it easier for clients and distributors to do business with it.
- The Corporation continued to develop many digital initiatives in all business lines, which aim in particular to simplify its sale processes and its products.
- The Corporation's ability to generate growth in its business is largely attributable to its multiple distribution networks, the diversity of its business line and its strategic acquisitions. In this respect, the Corporation announced, on December 4, 2019, that it had entered into an agreement to acquire the American company IAS Parent Holdings, Inc. and its subsidiaries (collectively "**IAS**"). Based in Austin, Texas, IAS is one of the largest independent providers of solutions in the U.S. vehicle warranty market. This transaction is expected to close in the second quarter of 2020.
- The Corporation will continue to launch projects in connection with client and employee experiences.
- The Corporation will continue to implement sustainable development projects and initiatives.

The following table shows the Corporation and its subsidiaries' business growth in the past three fiscal years:

	Business Growth[1]			
	2019	**2018**	**2017**	**Variation % (2019-2018)**
	In millions of dollars, unless otherwise indicated			
Net premiums, premium equivalents and deposits				
Net premiums				
General fund	5,228.5	4,520.9	4,050.7	16%
Segregated funds	3,715.5	3,328.4	3,203.1	12%
Total	**8,944.0**	**7,849.3**	**7,253.8**	**14%**
Deposits – Mutual funds	2,063.7	2,137.9	2,365.4	(3%)
Other deposits and premium equivalents[2]	353.8	352.9	168.9	n.m.
Total	**11,361.5**	**10,340.1**	**9,788.1**	**10%**
Assets under management / under administration				
Assets under management				
General fund	44,503.1	39,759.5	37,789.4	12%
Segregated funds	27,867.9	23,780.6	24,117.0	17%
Mutual funds	11,594.2	10,832.8	11,723.2	7%
Other	15,500.1	14,721.1	15,123.1	5%
Subtotal	99,465.3	89,094.0	88,752.7	12%
Assets under administration	89,245.8	79,677.5	80,787.1	12%
Total	**188,711.1**	**168,771.5**	**169,539.8**	**12%**
Individual Insurance (Canada)				
Sales	187.5	190.8	194.0	(2%)
Net premiums	1,586.5	1,554.4	1,492.5	2%
Individual Wealth Management				
Sales				
General fund	545.8	400.6	316.5	36%
Segregated funds	2,365.5	1,987.9	1,883.4	19%
Mutual funds	2,063.7	2,137.9	2,365.4	(3%)
Total	4,975.0	4,526.4	4,565.3	10%
Net investment fund sales				
Segregated funds	662.8	422.3	509.9	57%
Mutual funds	(407.6)	(157.6)	329.2	(158%)
Total	**255.2**	**264.7**	**839.1**	**(4%)**
Funds under management				
General fund	1,807.5	1,531.9	1,345.5	18%
Segregated funds	16,391.9	13,993.5	14,466.2	17%
Mutual funds	11,594.2	10,832.8	11,723.2	7%
Other	4,509.0	4,173.6	4,345.9	8%
Total	**34,302.6**	**30,531.8**	**31,880.8**	**12%**

	Business Growth[1]			
	2019	**2018**	**2017**	**Variation % (2019-2018)**
Group Insurance				
Employee Plans	49.1	92.5	107.3	(47%)
Dealer Services				
Creditor Insurance	328.7	374.2	401.4	(12%)
P&C	253.4	242.2	233.4	5%
Car loans	438.2	346.5	278.6	26%
Special Markets Solutions	273.9	255.6	231.2	7%
Total	**1,343.3**	**1,311.0**	**1,251.9**	**2%**
Premiums and premium equivalents	1,788.2	1,789.1	1,621.4	n.m.
Group Savings and Retirement				
Sales				
Accumulation contracts	1,400.0	1,401.4	1,367.9	n.m.
Insured annuities	627.6	218.4	122.2	187%
Deposits	46.0	47.1	55.0	(2%)
Total sales	2,073.6	1,666.9	1,545.1	24%
Funds under management				
Accumulation contracts	12,573.5	10,868.6	10,707.9	16%
Insured annuities	3,929.2	3,246.1	3,246.6	21%
Total	**16,502.7**	**14,114.7**	**13,954.5**	**17%**
U.S. business[3]				
Sales ($CAN)				
Individual Insurance	131.5	105.2	94.5	25%
Dealer Services	596.0	485.9	-	22%

n. m.: not material

(1) The Corporation measures business growth by using the concepts of "premiums" (general fund and segregated funds), "deposits" (mutual funds), "premium equivalents", "assets" (under management and under administration) and "sales". Sales and net sales are Non-IFRS financial measures. They are defined as fund entries on new business written during the period and they measure the Corporation's ability to generate new business. Sales are defined as follows for each activity sector: Individual Insurance: first-year annualized premiums; Individual Wealth Management: net premiums for the general fund and segregated funds and deposits for mutual funds; Group Insurance – Employee Plans: first-year annualized premiums, including administrative services only (ASO) contracts; Group Insurance – Dealer Services: premiums before reinsurance and cancellations for creditor insurance and direct written premiums (before reinsurance) for P&C Insurance; Group Insurance – Special Markets Solutions: premiums before reinsurance; Group Savings and Retirement: gross premiums (before reinsurance) and premium equivalents, or deposits.

(2) Amounts paid in connection with investment contracts and administrative service contracts.

(3) Since the first quarter of 2018, the Corporation has reported U.S. Business as a separate business line.

Expected Developments

In 2020, the Corporation expects to continue diversifying its distribution networks, its geographic presence and the market segments in which it operates. The Corporation will seek to leverage synergies between the parent company, its business lines and the other companies of the group to maximize sales, among other things. The Corporation will also remain alert to business opportunities, including potential strategic acquisitions.

Description of the Business

General Description

iA Insurance operates in five main sectors: Individual Insurance and Individual Wealth Management that address the needs of retail customers; Group Insurance and Group Savings and Retirement, that address the needs of businesses and group clients and the fifth sector is the U.S. Business sector.

In terms of profitability, in 2019, iA Insurance ended the year with net income attributable to holders of Common Shares of $690.7 million.

In terms of business growth, 18% of the Corporation's premiums, premium equivalents and deposits in 2019 came from Canadian Individual Insurance, 32% from Individual Wealth Management, 18% from Group Insurance, 22% from Group Savings and Retirement, 4% from general insurance operations and 6% from U.S. Business.

By region, 4% of premiums, premium equivalents and deposits in 2019 came from the Atlantic Provinces, 38% from Quebec, 30% from Ontario, 22% from the Western provinces and 6% from the United States.

For a more detailed description of iA Insurance and its business lines, refer to Management's Discussion and Analysis for the year 2019, including the description of the Corporation beginning on page 1 and the various relevant sections on pages 5 to 6, which present each of the business lines.

Specialized Skills and Knowledge

To ensure its development, iA Insurance needs employees with a range of skills, including in information technology, sales, actuarial sciences, accounting, investing, law and communications. In light of its growth, the Corporation is facing a shortage of qualified resources, like many employers. That is why the Corporation is constantly striving to improve its internal efficiency, promote high employee retention and attract new employees through its recruitment programs, both inside and outside Canada.

Trends

Competitive Environment

The insurance and wealth management markets are very competitive. In the last few years, the environment in which the Corporation operates has been marked by a number of phenomena:

- a movement of consolidation, as several large insurers have merged their operations or acquired other companies. More recently, this movement has become more pronounced among wealth management firms;
- the maturity of the individual life insurance market in Canada, especially due to the aging of the population, low population growth and the stagnation in the number of insurance representatives;
- the adjustment of the wealth management market to the the aging population's needs;
- low interest rates which led many companies (including iA Insurance) to increase prices on individual life insurance products with long-term guarantees and forcing many to revise their product offering;
- the continued development of digital technologies among institutions; and
- preparatory work to integrate accounting standard IFRS 17.

In Canada, even though the insurance market is made up of many life insurance companies, the ten largest control close to 95% of the individual insurance market, approximately 90% of the group insurance market (employee plans) and more than 95% of the group savings and retirement market. iA Insurance is among the ten largest insurers in all these operating sectors.

In the individual wealth management market, iA Insurance's competitors include life and health insurance companies, banks, mutual fund management companies, securities brokers and other providers. The Corporation's recent results for the individual wealth management sector are positive. The Corporation has ranked first in Canada for net sales of segregated funds since 2016. In 2019, it once again consolidated its leading position in this area by adding five new segregated funds to its offering and merged certain funds to better address current market trends.

Competition in the life and health insurance industry is often waged on product development, product pricing, representative compensation and the general ability of companies to grow their distribution networks and properly train their representatives. The Corporation has maintained a healthy balance between its profitability objectives and good sales growth, thanks to frequent targeted rate adjustments.

iA Insurance's business model is built on its ability to generate steady organic growth through the diversification of its distribution networks, its geographic presence, its extensive product offering and its market segments. The business model also rests on its ability to generate growth through strategic acquisitions.

To sustain its successful track record, the Corporation employs a variety of growth strategies:

— In the Individual Insurance and Individual Wealth Management sectors, it competes head-on with all industry players in all markets and geographic regions in Canada. Its key competitive advantage is the ability to build strong distribution networks for its products and services;

— In Group Insurance Employee Plans, Group Savings and Retirement and through iA Auto and Home Insurance, the Corporation competes selectively by market and region where it can leverage corporate relationships and synergies;

— In Group Insurance Dealer Services and Special Markets Solutions, the Corporation operates in niche markets where it has fewer competitors and it holds a leading market position;

— Finally, iA Insurance favours underserved markets where there are a limited number of players.

For information about the key long-term profitability drivers for each of the Corporation's business lines, refer to Management's Discussion and Analysis for the year 2019 on page 6 for Individual Insurance, Individual Wealth Management, the divisions of the Group Insurance sector, Group Savings and Retirement and U.S. Business.

Recent Developments in the Economic and Financial Environment

In addition to competition, the Corporation must also face market conditions related, in particular, to the economy and financial markets.

The COVID-19 pandemic that has been raging since the beginning of 2020 has led to a decline in the financial markets and other macroeconomic fluctuations. Emergency measures have been taken globally by governments to slow the spread of the virus and stabilize the financial system. The outcome of these government interventions remains uncertain at this time. The Corporation's strong financial position as at December 31, 2019 and its risk management program are mitigating the impacts of the pandemic in order to continue to ensure the financial well-being of its clients. In general, the macroeconomic context was favourable in 2019.. In terms of stock market performance, growth was achieved, with a 19.1% return for the S&P/TSX Index in Canada, 28.9% for the S&P 500 Index in Canadian dollars and 28.4% for the world index MSCI World.

For more information on the impact of 2019 economic and financial developments on the Corporation's profitability, refer to the "Profitability" section on pages 7 to 9 of Management's Discussion and Analysis for the year 2019. For more information about the risk of a stock market downturn and the risk mitigating measures implemented by the Corporation in 2019, refer to the "Risk Management" section of Management's Discussion and Analysis for the year 2019, on pages 19 to 28.

Governing Legislation

iA Insurance is governed by the Act and the Private Bill. It operates under the authority of the AMF pursuant to powers delegated by the *Insurers Act*. The business of iA Insurance outside Canada is subject to the requirements of local regulatory authorities. The companies of the group are licensed by the appropriate federal, provincial and state authorities to carry on business in all provinces and territories of Canada, in the 50 U.S. states, the District of Columbia and seven territories of the United States and the United Kingdom. As a result, they are also subject to the regulation and supervision of the provinces and territories of Canada, the states and territories of the United States and the territories of the United Kingdom in which they carry on business. The regulatory and supervisory powers to which these companies are subject relate, among other things, to: the licensing of insurers and their agents; the nature of, limitations on and valuation of investments; solvency standards; annual audit of the activities of insurance companies; annual and other reports required to be filed on the financial condition of insurers; and requirements regarding reserves for actuarial liabilities, unearned premiums and losses.

The Corporation is a reporting issuer under the different securities laws in force in the provinces of Canada and has proceeded with issues of Common Shares, Preferred Shares and debt securities. As previously mentioned, since January 1, 2019, all Common Shares of the Corporation are held by iA Financial Corporation, the parent company of the group. However, iA Insurance Preferred Shares and debentures issued and outstanding as at January 1, 2019 remained issued by iA Insurance and were guaranteed by iA Financial Corporation in accordance with the terms of the arrangement.

Applicable laws stipulate that the Corporation's financial statements must be prepared in accordance with IFRS, in particular the provisions specific to life insurance companies. The Corporation has implemented the necessary measures to ensure its compliance with the requirements of the applicable legislation and, to the knowledge of management, currently complies with all applicable legal requirements.

The *Insurers Act* provides that capital adequacy standards for life insurance companies are determined by regulation. The regulation provides for a life insurer's capital adequacy requirement to be determined by applying factors for certain risk components to specific on and off balance sheet assets and liabilities and by adding the results. The regulatory authorities have issued guidelines on the required capital in order to comply with the requirements. These guidelines define the methodology to be used in determining the elements comprising the solvency ratio, including available capital, certain provisions included in actuarial provisions and the base solvency buffer.

The *Insurers Act* also provides for certain restrictions with respect to the dividends paid to shareholders and operations on equity. Hence, no insurer may declare dividends or pay interest, as the case may be, or distribute annual surpluses if a payment made for one or the other has the effect of rendering its liquid assets or capital insufficient to ensure sound and prudent management. When deemed appropriate, the AMF may give written instructions to an insurer concerning the adequacy of its liquid assets.

The *Insurers Act* further provides that insurers must exercise their investment powers with prudence and care in accordance with any regulation and must adhere to sound and prudent investment management practices. Additional requirements (and, in certain cases, the obligation to obtain regulatory approvals) also limit certain investments.

The 1999 Private Bill, as amended by the 2018 Private Bill, prohibits any person and his/her affiliates from acquiring, either directly or indirectly, voting shares of iA Financial Corporation if the acquisition results in the person and his/her affiliates holding 10% or more of the voting rights attached to the shares. As such, the Private Bill further provides that in the event that an acquisition is made in contravention of the foregoing, an individual on behalf of whom the shares are acquired cannot exercise the voting rights attached to the aggregate of his/her shares for as long as they are in contravention of this provision. In addition, under the Private Bill, iA Financial Corporation must directly or indirectly hold 100% of the Common Shares of iA Insurance. The *Insurers Act* provides that anyone who intends to become the holder of a significant interest in the insurer's decisions must notify the AMF thereof. If the holder of a significant interest has not obtained the approval of the Minister of Finance, the AMF may order that the voting rights held by such holder who did not obtain the approval of the Minister of Finance be exercised by an administrator of the property of others appointed by the AMF.

Intellectual Property and Product Development

In general, the Corporation and its subsidiaries take the necessary measures to protect the intellectual property of their product names and their brand names and they devote large sums to develop new products that are better suited to meet client demand. It should be noted, however, that in the markets in which the Corporation and its subsidiaries operate, the competitive advantage associated to the development of new products generally does not constitute a strategic competitive advantage, since most products can be copied by competitors relatively quickly and easily.

Cyclical Business

The operations of certain sectors may fluctuate according to somewhat cyclical factors. Hence, given the contribution deadline for registered retirement savings plans ("**RRSPs**"), first quarter premiums and deposits are generally higher in the Individual Wealth Management sector. In the Individual Insurance sector, the level of sales is occasionally lower at the beginning of the year, due to the emphasis placed on RRSPs, as well as during the summer, due to summer vacations. Sales in the Group sectors are subject to sometimes significant variations from one quarter to another due to the size of certain new clients. Moreover, for the Group Insurance Employee Plans division, sales can occasionally be higher at the beginning of the year, since several contracts obtained the previous year take effect at the beginning of the year. In the Dealer Services division, sales tend to be higher in the second and third quarters. Insurance products in this division are marketed mainly through car dealers, therefore the distribution of sales during the year is, to a certain extent, related to the seasonal nature of car sales.

Employees

As at December 31, 2019, the Corporation and its subsidiaries had 6,800 employees, including some temporary positions.

Commitment to Sustainable Development

The Corporation Becomes Carbon Neutral

On December 13, 2019, the Corporation announced its commitment to offsetting its greenhouse gas (GHG) emissions through the purchase of carbon credits.

Carbon neutral company certification certifies that all GHG emissions that could not be eliminated by the Corporation's reduction measures have been calculated and offset.

For many years, the Corporation has been committed to supporting the fight against climate change by proactively reducing its carbon footprint. The Corporation has been participating in the *Carbon Disclosure Project* (CDP) on greenhouse gas emissions since 2007.

Climate change is an emerging risk taken into account in our annual strategic planning exercise. Throughout this exercise, the Corporation must analyze whether adjustments or additions to the existing strategies are required to manage the emerging risks that stand out or to benefit from opportunities that may arise.

For example, in the specific case of general insurance, the potential impact of climate change is taken into account in the choice of strategies, product development and tests carried out on the solvency of operations.

Through its strategic planning process, the Corporation therefore remains on the lookout for the impacts that climate change could have on the practice of long-term business and has in place mechanisms that allow it to identify them and react adequately and promptly.

The Corporation also carries out numerous projects and initiatives aimed at reducing GHG emissions at the source.

The offsetting announced in 2019 will begin in 2020. In its 2020 *Sustainable Development Report*, the Corporation will release its GHG emissions data and a more detailed description of the projects in which these offsetting amounts will be invested.

The Corporation Becomes a Signatory of the United Nations' PRI

In April 2019, the Corporation became a signatory of the United Nations Principles for Responsible Investment (PRI) through its subsidiary Industrial Alliance Investment Management Inc. ("**iAIM**").

In doing so, the iAIM portfolio managers undertook to take into account the environmental, social and governance (ESG) criteria in their investment decisions.

It should be clarified that iAIM is responsible for managing iA Insurance's general funds and the assets of the group's subsidiaries. In this capacity, iAIM manages the segregated funds and mutual funds portfolios for the entire group.

The mission of the PRI is to participate in creating a sustainable and effective global financial system from an economic perspective.

Sustainable Development Policy

The Corporation's *Sustainable Development Policy* puts forth the following seven guidelines:

- Ensure the financial wellbeing of our clients;
- Effectively manage risks;
- Follow high standards of governance;
- Contribute actively to our communities;
- Manage environmental impact;
- Create a rewarding work environment; and
- Practice responsible sourcing.

By adopting its Sustainable Development Policy, the Corporation is clearly expressing its commitment to create economic and societal value, and its willingness to share with its different stakeholders its sustainable development guidelines.

A Sustainable Development Advisory Committee combines representatives from all business lines, divisions and subsidiaries of the Corporation. Its mandate is to create initiatives in this area and to oversee them.

Sustainable Development Report

For all of the Corporation's initiatives and achievements, refer to the *Sustainable Development Report*, at ia.ca (in the About section, under the Sustainable Development tab).

Risk Factors

For information on risk factors for iA Insurance and its operations, refer to the "Risk Management" section on pages 19 to 28 of Management's Discussion and Analysis, and to the Consolidated Financial Statements' Note 7 on Management of Risks Associated with Financial Instruments, on pages 34 to 43, note 13 on Management of Insurance Risk, on page 51 and Note 14 on Insurance Contract Liabilities and Investment Contract Liabilities on pages 52 to 58 of the Consolidated Financial Statements.

Reorganizations

Please refer to the "General Development of the Business" section of this *Annual Information Form* for a description of key corporate reorganizations.

Capital Structure

General Description

The authorized capital of iA Insurance consists of:

1. an unlimited number of Common Shares without par value;
2. 10,000,000 Preferred Shares with par value of $25 per share, issuable in series; and
3. an unlimited number of Class A Preferred Shares without par value, issuable in series.

As at December 31, 2019, 108,575,222 Common Shares, 5,000,000 Class A Preferred Shares Series B, 10,000,000 Class A Preferred Shares Series G and 6,000,000 Class A Preferred Shares Series I were issued and outstanding.

Effective January 1, 2019, the Corporation became a subsidiary of iA Financial Corporation and all of its Common Shares are now held by iA Financial Corporation. Under the Plan of Arrangement, all of the 108,575,222 Common Shares of the Corporation outstanding as at January 1, 2019 were exchanged for newly issued Common Shares of iA Financial Corporation, a new holding company, on a one-for-one basis. The issued and outstanding Preferred Shares and debentures of the Corporation on January 1, 2019 have remained issued by the Corporation and have been guaranteed by iA Financial Corporation, in accordance with the terms of the Plan of Arrangement.

Common Shares

Each Common Share entitles the holder to one vote at all meetings of shareholders (except for meetings exclusively of another class or series of shareholders). Subject to the prior rights of the holders of Class A Preferred Shares, the Preferred Shares and any other shares ranking senior to the Common Shares with respect to payment of dividends, the holders of Common Shares are entitled to receive dividends when declared by the Board of Directors of iA Insurance. Also, subject to the prior rights of the holders of Class A Preferred Shares, the Preferred Shares and any other shares ranking senior to the Common Shares with respect to the distribution of assets in the event of the liquidation or dissolution of the Corporation, the holders of the Common Shares will be entitled to receive the remaining assets of the Corporation that pertain to the shareholders in equal amounts per Common Share without preference or priority of one of the Common Shares over another.

Pursuant to the implementation of the Plan of Arrangement hereabove mentioned, since January 1, 2019, iA Financial Corporation holds all the Common Shares of iA Insurance and, subject to the policyholders' right to elect at least a third of the members of the Board of Directors, iA Financial Corporation is the sole common shareholder entitled to vote at iA Insurance's annual shareholders' meetings.

Preferred Shares

The Preferred Shares may be issued in one or more series with such rights and restrictions established by the Board of Directors. The rights or restrictions attached to a series of Preferred Shares do not confer on the series any priority in respect of the payment of dividends or the return of capital over any other series of Preferred Shares. With respect to the priority in the payment of dividends and in the distribution of the assets in the event of the liquidation or dissolution of the Corporation, or any other distribution of the assets of the Corporation among its participating policyholders and shareholders for the specific purpose of winding up the Corporation's affairs, the Preferred Shares: (a) rank equally with Class A Preferred Shares; and (b) are entitled to a preference over the Common Shares and any other shares ranking junior to the Preferred Shares. The holders of any series of Preferred Shares are entitled to receive notice of any special meetings held by the Corporation, but are not entitled to attend or to vote at such meetings.

Series 1

Series 1 Preferred Shares entitle holders to receive non-cumulative preferential dividends, when declared by the Board of Directors of iA Insurance, in an amount that varies according to the time that has lapsed since the shares were issued and according to the Canada bond yield and the prime rate with a minimum of 1% of the issue price of such shares annually. The Series 1 Preferred Shares are redeemable at the Corporation's option, but on certain conditions, including the authorization of the AMF, at a price equal to $25 per share, and are convertible at the holder's option into Common Shares at a price equal to 95% of the market value of said Common Shares. This conversion option may in turn give rise, at the Corporation's option, to a conversion of Series 1 Preferred Shares into Series 2 Preferred Shares.

Series 2

Series 2 Preferred Shares entitle holders to receive non-cumulative preferential dividends, when declared by the Board of Directors of iA Insurance, in an amount that varies according to the time that has lapsed since the shares were issued and according to the Canada bond yield and the prime rate with a minimum of 1% of the issue price of such shares annually. Series 2 Preferred Shares may only be issued for purposes of conversion of Series 1 Preferred Shares. They are redeemable at the Corporation's option at the issue price plus a premium of 5.26% on certain conditions, including the requirement to proceed with an issue of Series 3 Preferred Shares.

Series 3

Series 3 Preferred Shares do not entitle holders to receive dividends. Series 3 Preferred Shares are redeemable at the Corporation's option after five years, subject to certain conditions, including the prior authorization of the AMF, at a price equal to $25 per share, and are convertible, at the holder's option, into Common Shares at the market value of the said Common Shares.

Class A Preferred Shares

Class A Preferred Shares may be issued in one or more series with such rights and restrictions established by the Board of Directors. Rights or restrictions attached to a series of Class A Preferred Shares do not confer on the series any priority in respect of the payment of dividends or the return of capital over any other series of Class A Preferred Shares. With respect to priority in the payment of dividends and in the distribution of the assets in the event of the liquidation or dissolution of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its participating policyholders and shareholders for the specific purpose of winding up its affairs, Class A Preferred Shares: (a) rank equally with the Preferred Shares; and (b) are entitled to a preference over the Common Shares and any other shares ranking junior to Class A Preferred Shares. Except as required by law or as specified in the rights and restrictions attached from time to time to any series of Class A Preferred Shares, the holders of any series of Class A Preferred Shares are not entitled as such to receive notice of, to attend or to vote at any meeting of the shareholders or participating policyholders of the Corporation.

Series A

The non-cumulative dividend Class A Preferred Shares Series A do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive non-cumulative semi-annual cash dividends of $0.5625 per share, when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series A are redeemable at the Corporation's option after December 31, 2008, for an amount of $25 per share, subject to the prior approval of the AMF.

Series B

The non-cumulative dividend Class A Preferred Shares Series B do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends of $0.2875 per share, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series B are redeemable by the Corporation on or after March 31, 2011 for an amount ranging between $26 and $25 per share depending on the year of redemption and subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to the approval of the AMF, they are convertible at the holder's option, on notice by the Corporation, into a distinct series of new Class A Preferred Shares, which the Corporation may decide to issue.

Series C

The non-cumulative dividend Class A Preferred Shares Series C do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends adjusted every five years, with an initial annual rate of $1.55 per share, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series C are redeemable by the Corporation for an amount of $25 per share on or after December 31, 2013 and on December 31 every five years thereafter, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them, and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series D on or after December 31, 2013, and on December 31 every five years thereafter. On December 31, 2013, all of the issued and outstanding Class A Preferred Shares Series C were redeemed, representing a total par value of $100 million.

Series D

The non-cumulative dividend Class A Preferred Shares Series D do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive floating rate non-cumulative preferential cash dividends payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series D are redeemable by the Corporation for an amount of $25 per share on or after December 31, 2018 and on December 31 every five years thereafter, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series C on December 31, 2018, and on December 31 every five years thereafter.

Series E

The non-cumulative dividend Class A Preferred Shares Series E do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends at an annual rate of $1.50 per share, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series E are redeemable by the Corporation on or after December 31, 2014 for an amount ranging between $26 and $25 per share depending on the year of redemption, subject to the prior approval of the AMF. It should be noted that on December 31, 2014, all issued and outstanding Class A Preferred Shares Series E were redeemed, representing a total par value of $100 million.

Series F

The non-cumulative dividend Class A Preferred Shares Series F do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends at an annual rate of $1.475 per share, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series F are redeemable by the Corporation on or after March 31, 2015 for an amount ranging between $26 and $25 per share depending on the year of redemption, subject to the prior approval of the AMF. It should be noted that on March 31, 2015, all issued and outstanding Class A Preferred Shares Series F were redeemed, representing a total par value of $100 million.

Series G

The non-cumulative dividend Class A Preferred Shares Series G do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends at an annual rate of $0.94425 per share for a period of five years starting June 30, 2017 and ending on but excluding June 30, 2022, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series G are redeemable by the Corporation for an amount of $25 per share on or after June 30, 2017, and on June 30 every five years thereafter, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series H on June 30, 2017, and on June 30 every five years thereafter. It should be noted that on June 30, 2017, no Class A Preferred Shares Series G were redeemed and none of them were converted into Class A Preferred Shares Series H.

Series H

The non-cumulative dividend Class A Preferred Shares Series H do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive floating rate non-cumulative preferential cash dividends payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series H are redeemable by the Corporation for an amount of $25 per share on or after June 30, 2022, and on June 30 every five years thereafter, or are redeemable by the Corporation on any date other than a Class A Preferred Shares Series H conversion date after June 30, 2017 for an amount of $25.50 per share, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series G on June 30, 2022, and on June 30 every five years thereafter.

Series I

The non-cumulative dividend Class A Preferred Shares Series I do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive fixed non-cumulative preferential cash dividends at an annual rate of $1.20 per share for a period of five years as of March 7, 2018 and ending on March 31, 2023, excluding this date, payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series I are redeemable by the Corporation for an amount of $25 per share on or after March 31, 2023 and on March 31 every five years thereafter, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series J on March 31, 2023 and on March 31 every five years thereafter.

Series J

The non-cumulative dividend Class A Preferred Shares Series J do not carry any voting rights (except in certain exceptional cases) and entitle the holders to receive floating rate non-cumulative preferential cash dividends payable quarterly when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series J are redeemable by the Corporation for an amount of $25 per share on or after March 31, 2028 and March 31 every five years thereafter, or are redeemable by the Corporation on any other date other than a Class A Preferred Shares Series J conversion date, after March 31, 2028, for an amount of $25.50 per share, subject to the prior approval of the AMF. Subject to the Corporation's right to redeem them and subject to certain restrictions, they are convertible at the holders' option into Class A Preferred Shares Series I on March 31, 2028 and March 31 every five years thereafter.

Series YY

Class A Preferred Shares Series YY do not carry any voting rights and entitle the holders to receive non-cumulative semi-annual preferential cash dividends of $0.450 per share, when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series YY are redeemable at the Corporation's option, after December 31, 2008, for an amount of $25 per share, payable in cash or by delivery of Common Shares, subject to the prior approval of the AMF. Subject to the Corporation's right to purchase them and subject to certain restrictions, they are also convertible into Common Shares at the shareholders' option on each conversion date, being the last day of June and December in each year on or after June 30, 2014.

Series ZZ

Class A Preferred Shares Series ZZ do not carry any voting rights and entitle holders to receive non-cumulative semi-annual preferential cash dividends of $0.5625 per share, when declared by the Board of Directors of iA Insurance. Class A Preferred Shares Series ZZ are redeemable at the Corporation's option, after December 31, 2008, for an amount of $25 per share payable in cash or by delivery of Common Shares, subject to the prior approval of the AMF. Subject to the Corporation's right to purchase them and subject to certain restrictions, they are also convertible into Common Shares at the shareholders' option on each conversion date, being the last day of June and December in each year on or after June 30, 2014.

Constraints

Constraints on Voting Shares Under the *Insurers Act* and the Private Bill

For the constraints on voting shares pursuant to the *Insurers Act* and the Private Bill, consult the "Governing Legislation" section of this *Annual Information Form*.

For information on the debentures and the share capital, refer to Management's Discussion and Analysis, "Financial Position" section on pages 10 to 13, and on page 58 of the Consolidated Financial Statements (notes 16 and 17).

Insurers Act Restrictions and Approvals

The Corporation may not declare nor pay a dividend, nor redeem or purchase its shares if there are reasonable grounds for believing that it would be in contravention of the *Insurers Act* or a regulation or guideline made under it concerning the maintenance by life insurance companies of an adequate capital base and such liquid assets as are adequate to ensure sound and prudent management. The redemption or the purchase by the Corporation of its shares requires the prior consent of the AMF. The Corporation may also not move forward with either of these transactions if there are reasonable grounds for believing that it would be in contravention with the written instructions that have been given to the Corporation by the AMF pursuant to the provisions of the *Insurers Act* respecting its capital and its liquid assets. As of the date of this *Annual Information Form*, no such instructions have been given to the Corporation by the AMF.

Credit Ratings

Class A Preferred Shares and the subordinated debentures of the Corporation are rated by independent rating agencies. These ratings confirm the Corporation's financial strength and its ability to respect its obligations to policyholders and creditors. Please note that the ratings granted by the rating agencies are not recommendations to buy, sell or hold the Corporation's different securities. The rating agencies can revise or withdraw the ratings granted to the Corporation at any time. The rating agencies act independently from the Corporation.

The following table lists the ratings attributed to the Corporation and its parent company, iA Financial Corporation Inc., as at December 31, 2019. The ratings attributed by each agency were all confirmed in 2019 with a stable outlook.

Rating Agency	Type of evaluation	Rating
	iA Financial Corporation Inc.	
Standard & Poor's	Issuer Credit Rating	A
	Subordinated debentures	A-
DBRS	Issuer Credit Rating	A (low)
	Subordinated debentures	BBB (high)
	Industrial Alliance Insurance and Financial Services Inc.	
Standard & Poor's	Issuer Credit Rating	AA-
	Financial Strength Rating	AA-
	Subordinated debentures	A+
	Preferred Shares – Canadian Scale	P-1 (Low)
	Preferred Shares – Global Scale	A
DBRS	Financial Strength	A (high)
	Issuer Credit Rating	A (high)
	Subordinated debentures	A
	Preferred Shares	Pfd-2 (high)
A.M. Best	Financial Strength	A+ (Superior)
	Issuer Credit Rating	aa-
	Subordinated debentures	a
	Preferred Shares	a-

Payments are made by the Corporation to these rating agencies in connection with regular rating work and also when ratings are requested by the Corporation for the issue of certain financial instruments. In addition, as part of the plan of arrangement, for the establishment of the holding company, iA Insurance paid fees to certain rating agencies, including to DBRS and to S&P Global Ratings, for the analysis services they provided.

Standard & Poor's ("S&P")

On July 22, 2019, the Standard & Poor's rating agency raised the Issuer Credit Rating of iA Financial Corporation from A- to A, and the Issuer Credit and Financial Strength Ratings of iA Insurance from A+ to AA-, citing operational performance, consistent profitability in various business lines and solid risk management. The financial strength rating reflects S&P's opinion on an insurer's capacity to meet its financial commitments to its policyholders in accordance with the terms of the contracts.

The A rating assigned to iA Financial Corporation indicates that the non-operating holding company has strong financial security characteristics, even though it is more likely to be affected by an unfavourable business environment than companies with a higher rating. The A rating corresponds to the sixth highest rating of a total of twenty-two (22) rankings divided into ten categories.

The AA- rating assigned to iA Insurance indicates that it has strong financial security characteristics. The AA- rating corresponds to the fourth highest rating of a total of twenty-two (22) rankings divided into ten categories.

The A- rating assigned to iA Financial Corporation indicates that the non-operating holding company has strong financial security characterization, even though it is more likely to be affected by an unfavourable business environment than companies with a higher rating. The A- rating corresponds to the seventh highest rating of a total of twenty-two (22) rankings divided into ten categories.

The S&P financial strength categories range from AAA to R. S&P adds a plus (+) or minus (-) sign to its categories between AA and CCC to show the relative standing of the securities within a major rating category. Insurers whose financial strength rating is BBB or higher are part of the group whose rating is "secure", while those rated BB or lower are part of the group whose rating is "vulnerable".

The Issuer Credit Rating reflects S&P's opinion on the overall creditworthiness of an obligor. The AA- rating assigned to iA Insurance indicates that the Corporation has a strong capacity to meet its financial commitments. The AA- rating is the fourth highest rating of a total of twenty-two (22) rankings divided into ten categories. The A rating assigned to iA Financial Corporation corresponds to the sixth highest rating. S&P Issuer Credit Rating categories range from AAA to CC. S&P adds a plus (+) or minus (-) sign to its categories between AA and CCC to show the relative standing of the securities within a major rating category.

S&P's long-term debt rating scale is based on the likelihood of payment, the obligor's capacity and willingness to meet its financial commitment on a debt in accordance with the terms of the debt, as well as the protection afforded by, and relative position of, the debt in the event of bankruptcy, reorganization, or other arrangement under the laws of bankruptcy and other laws affecting creditors' rights. The ratings reflect the level of default of payment risk.

iA Financial Corporation's subordinated debentures have been assigned an A- rating, the seventh highest rating of the twenty-two (22) rankings in the scale. iA Insurance's subordinated debentures received an A+ rating, the fifth highest rating of the twenty-two (22) rankings in the scale. The A- rating indicates that iA Financial Corporation has a strong capacity to meet its financial commitments with respect to the debentures.

S&P has a Canadian scale and a global scale for certain securities. The S&P Canadian scale is a current comparison of the creditworthiness of an obligor with respect to a specific obligation issued in the Canadian market, relative to obligations issued by other issuers in the Canadian market. A "High" or "Low" designation reflects the relative position within a rating category.

The iA Insurance Preferred Shares have obtained an A- rating on the global scale, which is the sixth highest rating of a total of twenty (20) rankings. This rating indicates that the iA Insurance Preferred Shares are somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than other similar securities in higher categories. The A- rating does however indicate that iA Insurance has a strong capacity to meet its commitments with respect to its Preferred Shares. The iA Insurance Preferred Shares have received a P-1 (Low) rating according to the Canadian scale, which is the third highest of a total of eighteen (18) rankings.

In its rating system, S&P adds an outlook to the Financial Strength and Issuer Credit Rating. These outlooks remain "stable". They indicate the possible direction of these ratings in the medium or long term based on changes in the economic environment and/or the corporate position. The outlook can be "Positive" (meaning that the rating may be raised), "Stable" (meaning that the rating is not likely to change), "Negative" (meaning that rating may be lowered), or "Developing" (meaning that the rating may be raised or lowered).

DBRS

The Financial Strength Rating represents an opinion by DBRS as to an insurance company's capacity to meet its financial obligations with respect to its issued insurance policies. This rating is based on an evaluation of the various building blocks of the insurer, including franchise strength, risk profile, earnings ability, liquidity, capitalization and asset quality. DBRS has assigned iA Insurance a financial strength rating of A (high) with a stable outlook.

This rating corresponds to the fifth highest rating of a total of twenty-two (22) rankings from AAA to R. For categories from AA to CCC, DBRS may add a "high" or "low" designation to indicate the relative position within a rating category, whereas the absence of such a designation indicates the rating is in the middle of the category. Insurers that are rated A have a substantial capacity for the payment of policyholder and contract obligations. Such insurers may be vulnerable to adverse business and economic conditions, but qualifying negative factors are considered manageable.

The DBRS long-term debt rating scale is meant to give an indication of the risk that a borrower cannot fulfil its full obligations in a timely manner, with respect to both principal and interest commitments.

Regarding the Credit Issuer Rating, DBRS assigned an A (low) rating to iA Financial Corporation and an A (high) rating to iA Insurance.

iA Financial Corporation's Financial Strength Rating is two notches below the Financial Strength Rating of its major operating subsidiary, iA Insurance. Among other factors, the two-notch differential reflects the structural subordination of the holding company's creditors to the operating company's creditors in an insolvency situation and recognizes the reliance of iA Financial Corporation on its operating companies for its earnings. The Financial Strength rating of iA Financial Corporation would be positively affected as a result of an upgrade of iA Insurance's Financial Strength ratings. Conversely, the ratings of iA Financial Corporation would be negatively affected as a result of a downgrade of iA Insurance's ratings. The A (low) rating corresponds to the seventh highest rating of a total of twenty-two (22) rankings from AAA to R.

Furthermore, DBRS has assigned a BBB(high) rating to the iA Financial Corporation subordinated debentures and has assigned an A rating to the iA Insurance subordinated debentures, which is the sixth highest rating on a scale of twenty-six rankings divided into ten categories. The DBRS rating categories for this type of security vary from AAA to D. For categories other than AAA and D, DBRS may add a "high" or "low" designation to indicate the relative position within a rating category, whereas the absence of such a designation indicates the rating is in the middle of the category. The A rating assigned to iA Insurance means that its subordinated debentures have a "satisfactory" credit quality, which is higher than the "adequate" quality of BBB category securities, but lower than the "superior" quality of AA category securities. Protection of interest and capital is still substantial, but the degree of strength is less than with AA-rated entities. While an A rating is respectable, entities in this category are considered to be more susceptible to an unfavourable economic environment and have more pronounced cyclical tendencies than higher rated companies.

DBRS has assigned a Pfd-2 (high) rating to the iA Insurance Preferred Shares. This is the fourth highest rating of a scale that is made up of sixteen (16) rankings. The DBRS ratings are divided into six categories that vary from Pfd-1 to D. The DBRS preferred share rating scale is used in the Canadian securities market and is meant to give an indication of the risk that a borrower will not fulfil its full obligations in a timely manner, with respect to both dividend and principal commitments. The Pfd-2 rating indicates that the Preferred Shares are of "satisfactory" credit quality. This indicates that protection of dividends and principal is substantial, but earnings, balance sheet, and coverage ratios are not as strong as Pfd-1 rated issuers. The Pfd-2 rating generally corresponds to companies whose senior bonds are rated in the A category. The "high" or "low" designation reflects the relative position within a rating category, whereas the absence of such a designation indicates the rating is in the middle of the category.

The outlook assigned to all ratings granted to iA Insurance by DBRS reflects the opinion of DBRS as to the direction that the rating could take based on the economic conditions and current trends. The outlook can be "Positive", "Stable" or "Negative". Currently, the outlook assigned to all ratings granted to iA Insurance by DBRS is "Stable".

A.M. Best

The Financial Strength Rating represents an opinion by A.M. Best as to an insurance company's capacity to meet its obligations to its policyholders, who are senior ranking creditors. A rating of B+ and higher is granted to insurers who are part of the "secure" group, whereas a rating of B or lower is assigned to "vulnerable" insurance companies. As at December 31, 2019, the A+ (Superior) rating was assigned to iA Insurance for its financial strength, which means that, in the opinion of A.M. Best, iA Insurance has a robust balance sheet, a solid operating performance and a stable trend in its operating results. Insurers that are rated A+ (Superior) have a superior capacity to meet their commitments to their policyholders. This is the second highest rating out of a total of sixteen (16) rankings. The A.M. Best ratings range from A++ to S.

The A.M. Best Issuer Credit Rating is based on the issuer's capacity to meet its commitments to its creditors. Ratings of bbb and higher are assigned to issuers of a group designated as Investment Grade, while bb or lower ratings are assigned to Non-Investment Grade issuers. The aa- rating assigned to iA Insurance is the fourth highest of a total of twenty-four (24) rankings and indicates that the issuer has a "very strong" capacity to meet its commitments. The A.M. Best scale contains rankings that range from aaa to s. A positive (+) or negative (-) sign indicates that the credit quality is closer to the top or bottom of the category.

The A.M. Best uses a scale that is similar in all respects to the one used for the Issuer Credit Rating to rank long-term debt. The ratings and designations added to the ratings also have the same meanings as those assigned to the Issuer Credit Ratings. The iA Insurance subordinated debentures have obtained an a rating, which is the sixth highest of the twenty-three (23) rankings, while the Preferred Shares have obtained an a- rating, which is the seventh highest ranking out of twenty-three (23).

The descriptions of the ratings above are derived from public information published by each rating agency.

Dividends

The declaration and payment of dividends is the responsibility of the Board of Directors and depends on the financial results of the Corporation, as well as its financial position and other factors that the Board of Directors deems relevant. Dividends on the Preferred Shares are, in accordance with the Articles, declared quarterly at meetings of the Board of Directors held in February, May, August and November. Dividends are also paid quarterly. In addition to the quarterly dividend, the Corporation may also declare an additional dividend to its sole common shareholder, subject to capital adequacy requirements.

Preferred Shares

On February 28, 2018, the Corporation issued 6,000,000 Class A Preferred Shares Series I for a total value of $150 million. These Preferred Shares entitle the holders, when declared by the Board of Directors of iA Insurance, to a fixed non-cumulative quarterly dividend of $0.30 per Preferred Share. The Corporation paid $7.2 million in dividends to holders of Class A Preferred Shares Series I in 2019 ($5.9 million in dividends in 2018).

On June 1, 2012, iA Insurance issued 6,000,000 Class A Preferred Shares Series G for a total value of $150 million. On June 28, 2012, the Corporation closed the issuance of 4,000,000 Class A Preferred Shares Series G for a total value of $100 million. These Preferred Shares entitle the holders, when declared by the Board of Directors of iA Insurance, to a non-cumulative quarterly dividend adjusted every five years. The initial dividend annual rate was $1.0750 per Preferred Share. On June 30, 2017, the annual rate was revised to $0.94425 per Preferred Share. The Corporation paid $9.4 million in dividends to holders of Class A Preferred Shares Series G in 2019 ($9.4 million in 2018 and $10.1 million in 2017).

On February 24, 2006, the Corporation issued 5,000,000 Class A Preferred Shares Series B worth a total of $125 million. These Preferred Shares entitle the holders, when declared by the Board of Directors of iA Insurance, to a fixed non-cumulative quarterly dividend of $0.2875 per Preferred Share. The Corporation paid $5.8 million in dividends to holders of Class A Preferred Shares Series B in 2019 ($5.8 million in 2018 and 2017).

Common Shares

In 2019, the Corporation declared and paid a total amount of $651 million in dividends to iA Financial Corporation, its sole common shareholder ($173.1 million in 2018 and $152.3 million in 2017 to the common shareholders registered during those periods).

Market for Securities of iA Insurance

The Preferred Shares of iA Insurance being the Class A Preferred Shares Series B, Series G and Series I are traded on the Toronto Stock Exchange respectively under IAF.PR.B, IAF.PR.G and IAF.PR.I.

The Preferred Share price varies more according to changes in interest rates than according to changes in the Corporation's results, given that the share more closely resembles a fixed income security (the dividend paid is determined in advance and the share cannot participate in the Corporation's profits by receiving dividends other than those provided).

The following tables show the monthly minimum and maximum price and total monthly volume of iA Insurance Preferred Shares traded on the Toronto Stock Exchange in 2019. The iA Insurance Class A Preferred Shares Series B (issued on February 24, 2006, at $25.00 per share) closed the 2019 year at $22.00 compared to $20.80 at the end of 2018 and Class A Preferred Shares Series G (issued on June 1 and June 28, 2012, at $25.00 per share) closed the 2019 year at $19.55 compared to $20.50 at the end of 2018. The iA Insurance Class A Preferred Shares Series I (issued on February 28, 2018, at $25.00 per share) closed the 2019 year at $19.88.

IAF.PR.B (Preferred Shares) Transactions on the Toronto Stock Exchange in 2019

	Monthly / annual minimum price	Monthly / annual maximum price	Monthly / annual volume	Monthly / annual value
	($)	($)		($ Millions)
January 2019	20.07	22.06	52,889	1,124,365
February 2019	20.80	21.37	72,057	1,536,118
March 2019	20.67	22.01	206,063	4,322,725
April 2019	21.76	22.37	25,635	564,387
May 2019	21.50	22.26	24,445	534,998
June 2019	20.98	22.12	35,291	764,245
July 2019	21.50	22.30	27,721	605,850
August 2019	21.50	22.05	35,860	784,557
September 2019	21.72	22.42	34,235	754,726
October 2019	21.54	22.61	48,408	1,064,465
November 2019	21.78	22.37	41,184	908,772
December 2019	21.84	22.10	60,390	1,328,421
Year 2019	20.07	22.61	665,178	14,293,629

IAF.PR.G (Preferred Shares) Transactions on the Toronto Stock Exchange in 2019

	Monthly minimum price	Monthly maximum price	Monthly volume	Monthly value
	($)	($)		($ Millions)
January 2019	19.50	21.60	141,705	2,935,154
February 2019	19.05	20.39	109,947	2,187,349
March 2019	19.60	21.21	196,336	3,969,348
April 2019	20.42	21.60	353,044	7,497,197
May 2019	20.52	22.11	459,414	9,907,619
June 2019	18.78	20.98	250,960	5,032,058
July 2019	19.61	21.28	264,652	5,452,823
August 2019	17.90	21.04	98,466	1,897,513
September 2019	18.20	19.37	130,899	2,475,203
October 2019	18.25	19.40	145,860	2,735,934
November 2019	18.59	19.67	192,742	3,715,509
December 2019	18.20	19.55	226,810	4,219,184
Year 2019	17.90	22.11	2,570,835	52,024,881

IAF.PR.I (Preferred Shares) Transactions on the Toronto Stock Exchange in 2019

	Monthly minimum price	Monthly maximum price	Monthly volume	Monthly value
	($)	($)		(Millions $)
January 2019	21.22	22.64	153,644	3,331,651
February 2019	20.75	21.74	264,541	5,546,741
March 2019	20.82	21.97	95,178	2,039,859
April 2019	21.70	22.70	73,999	1,642,105
May 2019	20.83	22.88	183,298	4,103,143
June 2019	19.95	21.35	57,427	1,174,602
July 2019	20.26	21.41	102,525	2,141,939
August 2019	17.90	21.09	155,391	2,985,365
September 2019	18.45	19.81	104,504	2,004,033
October 2019	18.76	20.00	313,823	6,134,139
November 2019	19.35	19.96	170,665	3,361,803
December 2019	19.00	19.80	245,209	4,753,067
Year 2019	17.90	22.88	1,920,204	39,218,446

Directors and Executive Officers

Name, Occupation and Security Holdings

As of the date of this *Annual Information Form*, no director or executive officer of the Corporation (as listed in the following tables) beneficially owned (or had control or direction over), directly or indirectly, any Common Shares of iA Insurance. In fact, since the arrangement came into force, all of the Common Shares of iA Insurance are held by iA Financial Corporation.

Furthermore, as of the date of this *Annual Information Form*, the directors and executive officers of the Corporation (as listed in the following tables) beneficially owned (or had control or direction over), as a group, directly or indirectly, 117,506 Common Shares of iA Financial Corporation (excluding deferred share units and performance share units), being approximately 0.11% of theissued and outstanding Common Shares.

The following table presents, as of the date of the *Annual Information Form*, the members of the Board of Directors of iA Insurance. All directors will hold office until the close of the next annual meeting of the sole shareholder of Common Shares and of Participating Policyholders of the Corporation.

Additional Information on the Directors and Officers

Directors of iA Insurance

Name and place of residence	Duties over the last five years	Director since	Membership on committees of the Board
AGATHE CÔTÉ B. Sc. Econ., M. Econ. ICD.D Residence: Ottawa, Ontario, Canada	Since 2016: Corporate director 2010 – 2016: Deputy Governor of the Bank of Canada	May 2016	— Investment Committee — Audit Committee
BENOIT DAIGNAULT BAA, CFA Residence: Ottawa, Ontario, Canada	Since 2019: Corporate director 2014 – 2019: President and Chief Executive Officer at Export Development Canada	May 2019	— Investment Committee — Human Resources and Compensation Committee
NICOLAS DARVEAU-GARNEAU B. Math., MBA Residence: Los Gatos, California, United States	Since 2017: Chief Search Evangelist at Google Search 2016 – 2017: Director, Sales and Strategy Research, United States 2014 – 2015: Director, Advertising Sales Performance	May 2018	— Human Resources and Compensation Committee
EMMA K. GRIFFIN BA (Oxon), MA (Oxon) Residence: Henley on Thames, Oxfordshire, United Kingdom	For more than five years: Corporate director	November 2016	— Investment Committee (Chair) — Human Resources and Compensation Committee

Name and place of residence	Duties over the last five years	Director since	Membership on committees of the Board
CLAUDE LAMOUREUX B.A., B.Comm., FSA, ICD.D, F.ICD Residence: Montreal, Quebec, Canada	For more than five years: Corporate director	May 2010	— Governance and Ethics Committee — Investment Committee
GINETTE MAILLÉ BAA, CPA, CA, ICD.D Residence: Montreal, Quebec, Canada	Since 2017: Vice President, Finance and Administration and Chief Financial Officer at Aéroports de Montréal 2011 – 2017: Senior Vice President and Chief Financial Officer at Yellow Pages Limited	July 2019	— Audit Committee
JACQUES MARTIN B. Comm., LL.B, MBA, IDP-C Residence: Larchmont, New York, United States	For more than five years: Corporate director	January 2011	— Chair of the Board of Directors — Governance and Ethics Committee (Chair) — Human Resources and Compensation Committee
MONIQUE MERCIER LL. B., MPhil., Ad. E Residence: Vancouver, British Columbia, Canada	Since 2019: Corporate director 2018 – 2019: Executive Vice President and Chief Governance Officer at TELUS Corporation 2014 – 2018: Executive Vice President, Corporate Affairs, Chief Legal & Governance Officer at TELUS Corporation	May 2019	— Governance and Ethics Committee — Audit Committee
DANIELLE G. MORIN B. Sc., ICD.D Residence: Longueuil, Quebec, Canada	For more than five years: Corporate director	May 2014	— Governance and Ethics Committee — Audit Committee (Chair)
MARC POULIN B. Sc., MBA Residence: Montreal, Quebec, Canada	Since 2016: Corporate director 2012 – 2016: President and Chief Executive Officer of Sobeys Inc. and Empire Company Limited	May 2018	— Human Resources and Compensation Committee (Chair) — Audit Committee
DENIS RICARD B. Sc., FSA, FCIA Residence: Pont-Rouge, Quebec, Canada	Since 2018: President and Chief Executive Officer 2017 – 2018: Chief Operating Officer 2015 – 2017: Executive Vice President, Individual Insurance and Annuities 2014 – 2015: Executive Vice President, Business Development	September 2018	
LOUIS TÊTU B. Eng. Residence: Quebec City, Quebec, Canada	Since 2011: President, Chief Executive Officer and member of the Board of Directors of Coveo Solutions Inc.	May 2016	— Governance and Ethics Committee

The following table presents, as of the date of this *Annual Information Form*, the executive officers of iA Insurance, all of whom are members of the Executive Committee.

Executive officers of iA Insurance

Name, occupation and place of residence	Duties over the last five years	With the Corporation since
ALAIN BERGERON BAA, M. Sc., CFA, CMT Executive Vice President and Chief Investments Officer Residence: Toronto, Ontario, Canada	— Appointed to current position in 2019 — 2013-2019: Senior Vice President and Portfolios Manager, MacKenzie Investments	September 2019
JEAN-FRANÇOIS BOULET BA. Fellow CHRP Executive Vice President, Client & Employee Experience Residence: Montmagny, Quebec, Canada	— Appointed to current position in 2017 — 2012-2017: Senior Vice President, Human Resources and Communications	June 2003
RENÉE LAFLAMME BBA, FCPA, FCA, CFA Executive Vice President Individual Insurance, Savings and Retirement Residence: Quebec City, Quebec, Canada	— Appointed to current position in 2018 — 2015-2018: Executive Vice President, Insurance and Group Savings Solutions — 2010-2015: Vice President, Group Savings and Retirement	April 1998
PIERRE MIRON B. Sc. A. Executive Vice President, Information Technology Residence: Quebec City, Quebec, Canada	— Appointed to current position in 2018 — 2010-2018: Executive Vice President, Chief Operations and IT Officer, Caisse de dépôt et de placement du Québec	September 2018
CARL MUSTOS B. Com., MBA Executive Vice President, Wealth Management Residence: Toronto, Ontario, Canada	— Appointed to current position in 2017 — 2015-2019: President, IA Clarington Investments Inc. — 2007-2015: Senior Vice President, National Sales Manager, IA Clarington Investments Inc.	May 2007
SEAN O'BRIEN Business Diploma Executive Vice President, Dealer Services and Special Risks Residence: Toronto, Ontario, Canada	— Appointed to current position in 2018 — Appointed to the position of President, iA Dealer Services, in 2016 — 2015-2017: Chief Operating Officer, iA Auto Finance Inc.	October 2015

Name, occupation and place of residence	Duties over the last five years	With the Corporation since
JACQUES POTVIN B.Sc., FSA, FCIA Executive Vice President, Chief Financial Officer and Chief Actuary Residence: Quebec City, Quebec, Canada	— Appointed to current position in 2018 — 2015-2018: Vice President and Chief Risk Officer — 2013-2015: Vice President, Internal Audit	June 1990
DENIS RICARD B.Sc., FSA, FCIA President and Chief Executive Officer Residence: Pont-Rouge, Quebec, Canada	— Appointed to current position in 2018 — 2017-2018: Chief Operating Officer — 2015-2017: Executive Vice President, Individual Insurance and Annuities — 2014-2015: Executive Vice President, Business Development	June 1985
LILIA SHAM B.Sc., M. Sc., FSA, FCIA, MAAA Executive Vice President Corporate Development Residence: Toronto, Ontario, Canada	— Appointed to current position in 2019 — 2018-2019: Professor at York University, Schulich School of Business — 2004-2017: Executive Vice President, Corporate Development, Intact Financial Corporation	May 2019
MICHAEL L. STICKNEY B.S., FSA, MAAA Executive Vice President and Chief Growth Officer Residence: Scottsdale, Arizona, United States	— Appointed to current position in 2019 — 2005-2019: Executive Vice President U.S. Development	November 1987

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

Except as disclosed below, to the knowledge of the directors and the members of management of the Corporation, no director or executive officer of the Corporation:

1. is, as of the date of this *Annual Information Form*, or has been, within ten (10) years before the date of this *Annual Information Form*, a director, chief executive officer or chief financial officer of any corporation, including the Corporation, that:
    a. while the director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer, was the subject of a cease trade or similar order or an order that denied it access to any exemption under securities legislation for a period of more than 30 consecutive days;
    b. was the subject of a cease trade or similar order or an order that denied it access to any exemption under securities legislation for a period of more than 30 consecutive days after the director or executive officer ceased to act in the capacity of director, chief executive officer or chief financial officer and which resulted from an event that occurred while the director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer;
    c. while the director or executive officer was acting in the capacity of director, chief executive officer or chief financial officer, or during the fiscal year after the director or executive officer ceased to act in such capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets;
2. has, within ten (10) years before the date of this *Annual Information Form*, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the director's or executive officer's assets;

The only exception to the foregoing is:

(i) Mr. Claude Lamoureux is a director and Chairman of Orbite Technologies Inc., which, on April 3, 2017, filed a notice of intention to make a proposal under the provisions of the Bankruptcy and Insolvency Act (Canada). Since April 28, 2017, following a court order, the proceedings have continued under the Companies' Creditors Arrangement Act (Canada).

(ii) Ms. Ginette Maillé was Chief Financial Officer when Yellow Media Inc. carried out a recapitalization. A plan of arrangement was approved by the court under the *Canada Business Corporations Act*, pursuant to which the former securities of Yellow Media Inc. and all rights pertaining thereto were cancelled and exchanged against, as the case may be, an amount of cash and Common Shares and Company Warrants, as well as new Secured Senior Notes and new Subordinated Exchangeable Debentures of Yellow Media Inc. The arrangement took effect on December 20, 2012.

Furthermore, to the knowledge of the Corporation, no director or executive officer of the Corporation has been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority, or has entered into a settlement agreement with a securities regulatory authority, or has been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in deciding whether to vote for the proposed director.

Audit Committee

The Audit Committee's mandate is to assist the Board in fulfilling its responsibility of overseeing the Corporation's financial controls and the Corporation's compliance with financial covenants and legal and regulatory requirements that govern matters of financial reporting.

The Audit Committee currently comprises the following five people:

Agathe Côté **Ginette Maillé** **Monique Mercier** **Danielle G. Morin** (Chair) **Marc Poulin**

The Audit Committee is composed entirely of independent directors.

The Board believes that the members of the Audit Committee possess the combined knowledge, experience and background necessary to fulfill the Committee's mandate. Each of its members has the financial literacy within the meaning of Regulation 52-110 respecting Audit Committees adopted by the Canadian Securities Administrators. The members of the Committee have acquired the necessary knowledge and experience to fulfill their duties as members of the Committee, having served as chief executive officers, chief financial officers, executive officers, or directors of other corporations or through their academic backgrounds.

Agathe Côté was Deputy Governor of the Bank of Canada from 2010 until her retirement in 2016. With the members of the Governing Council, Ms. Côté shared responsibility for decisions with respect to monetary policy and financial system stability, and for setting the Bank's strategic direction. Ms. Côté joined the Bank in 1982 as an economist. After assuming a series of positions of increasing responsibility, Ms. Côté was appointed Deputy Chief of the Department of Monetary and Financial Analysis in 2000 and, in 2001, Deputy Chief of the Financial Markets Department. Ms. Côté was appointed Chief of the Bank's Canadian Economic Analysis Department in 2003 and Advisor to the Governor in 2008. Ms. Côté was an alternate ex-officio member of the Board of Directors of the Canada Deposit Insurance Corporation from 2010 to 2013. She has also been an ex-officio member of the Board of Directors of the Center for Interuniversity Research and Analysis of Organizations (CIRANO) and has been a member of Statistics Canada's National Accounts Advisory Committee. Ms. Côté received a bachelor's degree in economics in 1981 and a master's degree in economics in 1983, both from the Université de Montréal. Ms. Côté is a holder of the Institute of Corporate Directors Director designation.

Ginette Maillé has been Vice President, Finance and Administration and Chief Financial Officer at Aéroports de Montréal since April 2017. Ms. Maillé has more than 30 years of financial, operational and strategic experience in startups and large companies, both private and publicly listed (TSX and NASDAQ), operating nationally and internationally. In particular, she was with Yellow Pages Ltd. for 14 years, where she held the position of Vice President and Chief Accounting Officer to later be promoted to Executive Vice President and Chief Financial Officer. A Chartered Professional Accountant, Ms. Maillé holds a Bachelor of Accounting Science from Université du Québec à Montréal. She sat on the board of Financial Executives International Canada (Quebec chapter) from 2014 to 2017. She is currently a member of the Board of Directors of La Fondation Le Chaînon.

Monique Mercier is a corporate director. During her career, she has held various executive roles in the telecommunications and technology industry. From 2014 until she retired in December 2018, she held the position of Executive Vice President, Corporate Affairs and Chief Legal and Governance Officer at TELUS. She oversaw legal and regulatory affairs, government relations, media, real estate and sustainable development. She began her career at Stikeman Elliott as a tax lawyer in 1984. She then worked at BCE and Bell Canada International before joining Emergis in 1999, which was acquired by TELUS in 2008. Ms. Mercier holds a degree from the Faculty of Law at Université de Montréal and a master's degree in political science from Oxford University, where she was awarded the prestigious Commonwealth Scholarship. In June 2018, Ms. Mercier received a Lifetime Achievement Award at the Canadian General Counsel Awards. In 2016, she was honoured as Woman of the Year by the organization Women in

Communications and Technology (WCT). In 2015, she was inducted into the Hall of Fame of the Women's Executive Network Top 100 Most Powerful Women in Canada. In 2002, she was honoured with the Queen Elizabeth II Golden Jubilee Medal as a Canadian businesswoman who has made an exemplary contribution to Canada as a whole. Ms. Mercier serves on the Board of Trustees of the Legal Leaders for Diversity Trust Fund. She sits on the Board of Directors of the Bank of Canada, Innergex Renewable Energy Inc. and Alamos Gold Inc. She gives back to the community through her involvement on the Boards of Directors of the Canadian Cancer Research Society and the Thoracic Surgery Research Foundation of Montreal.

Danielle G. Morin has more than 35 years of experience in various sectors of the financial services industry. She worked for Sun Life Assurance Company of Canada from 1977 until 1990 and for the Laurentian Imperial Company from 1990 until 1994, where she was Senior Vice President and Chief Operating Officer. She then worked for Desjardins Group in the group pensions and pooled investment funds areas, before joining Canagex inc., a Desjardins Group investment subsidiary, as Vice President, Finance and Operations, in 1999. In 2001, she joined the Public Sector Pension Investment Board as Senior Vice President of Financial Operations. Ms. Morin then worked as Senior Vice President, Distribution and Client Services, at Standard Life Investments Inc., from 2006 until 2013. Ms. Morin has also been on the boards of ASSURIS, Standard Life Investments Inc. and the Fondation de l'Université Laval. Since 2017, she has served on the Board of Directors of Université Laval. She graduated from the Institute of Corporate Directors and obtained her bachelor's degree in actuarial science from Université Laval. She became a Fellow of the Canadian Institute of Actuaries in 1980.

Marc Poulin currently serves as a corporate director. Mr. Poulin was a senior-level manager in the food industry in Canada. Over the last 19 years he was at Sobeys Inc., he held, successively, the roles of Vice President, Purchasing and Merchandising, Executive Vice President and Assistant General Manager (Quebec), Head of Operations for Quebec and, from 2012 to 2016, President and Chief Executive Officer. He also served as President and Chief Executive Officer of Empire Company Limited from 2012 to 2016. Prior thereto, Mr. Poulin held the strategic positions of Vice President at Groupe Vie Desjardins-Laurentienne and at Culinar. Mr. Poulin is a member of the Board of Directors of the Montreal Heart Institute Foundation. He is also a director and member of the Audit Committee of Richelieu Hardware Ltd. and a director and member of the Human Resources Committee of Sportscene Group Inc. He holds a bachelor's degree in actuarial science from Université Laval and an MBA from the J.L. Kellogg Graduate School of Management in Evanston (Illinois).

In 2019, the Committee adopted the *Information Security Policy* which states the guiding principles that serve as the basis of the Corporation's information security management and support a sound and prudent risk management culture. The policy, and the resulting directives and other frameworks, are monitored continuously by the various stakeholders, including the Audit Committee, to ensure the effectiveness of security controls.

In 2019, the Audit Committee reviewed the policies respecting non-audit mandates of the external auditor and the hiring of personnel from the external auditors. Following this review, the *External Auditor Independence Policy* was adopted. The purpose of this policy is to ensure the auditor's independence. It provides that any service contract with the external auditor for non-audit services must be approved either by the committee or its chair based on the value of the fees related to those services. The committee or its chair, as the case may be, must take into account the following guiding principles: (i) when the service requested could be useful or could accelerate the audit services provided by the auditor, such as services related to the due diligence in the process of an acquisition, or (ii) when the service requested could require in-depth knowledge of iA Insurance, (iii) when the auditor is the bidder having presented the best tender following a call for tenders, or (iv) when only the auditor is able to provide this service. The policy also provides that the Corporation will not hire (i) employees of the auditor who participate or have participated in the audit of the financial statements of one of the entities of the iA group before the end of one year after the publication of these financial statements, or (ii) associates or relatives of the auditor before the end of two years after the end of his association with the auditor.

The Audit Committee also recommended that the Board adopt (i) the *Risk Management Policy regarding Fraud and Other Practices Associated with Financial Crime* which states the guiding principles of the program related to the risk management regarding fraud and other practices associated with financial crime, (ii) the *Regulatory Risk Management Policy*, and (iii) the *Operational Risk Management Policy.*

Those policies are available from the Corporate Secretary.

External Auditor Service Fees

Deloitte LLP (**"Deloitte"**) has been the external auditor of the Corporation since 1940. In 2018 and 2019, the Corporation paid out the following fees to Deloitte:

	2019 (thousands of dollars)	2018 (thousands of dollars)
Audit fees These fees were incurred to audit the financial statements of iA Financial Corporation, iA Insurance, and its segregated funds.	2,232	1,877
Audit Fees of Subsidiaries These fees were incurred to audit the financial statements of certain subsidiaries of iA Financial Corporation, with the exception of iA Insurance.	2,321	1,867
Total Audit Fees	**4,553**	**3,744**
Audit-related fees These fees were incurred for assurance and related services that are reasonably related to the performance of the audit or review of the financial statements such as special reports, services related to the issuance of share capital and employee benefit plans.	1,018	693
Tax fees	-	-
Other fees These fees were incurred for support services for the adoption of accounting standards and for other initiatives related to the review of processes and accounting.	336	281
Total	**5,907**	**4,718**

Human Resources and Compensation Committee

The Human Resources and Compensation Committee's mandate is to oversee the Corporation's management appointments, compensation, assessment and renewal, as well as the human resources policy framework, in accordance with the Corporation's strategic direction.

The Human Resources and Compensation Committee currently comprises the following five people:

Benoit Daignault **Nicolas Darveau-Garneau** **Emma K. Griffin** **Jacques Martin** **Marc Poulin** (chair)

The Committee is composed entirely of independent directors.

The Board believes that the members of the Human Resources and Compensation Committee all possess experience in the area of executive compensation, either in their capacity as former CEOs of publicly traded companies or as executives, and that they possess the combined knowledge, experience and profiles necessary to fulfill the Committee's mandate.

Compensation Consultants

In 2019, the Human Resources and Compensation Committee engaged the services of Hugessen Consulting Inc. to review the compliance of certain components of executive compensation. This committee also engaged the services of Towers Watson Canada Inc. to review certain components of executive compensation.

Other Fees

In 2019, the Corporation engaged the services of Towers Watson Canada Inc. to analyse the compensation of certain positions. Fees of $41,313 were paid to Towers Watson Canada Inc. for these mandates. In 2018, the amount paid to Towers Watson for other fees was $447,846, for the review of employees' salary structure and for the analysis of the compensation of certain positions.

	2019	2018
Hugessen Consulting Inc.		
Fees relating to the compensation of executive officers	$71,612	$79,879
Other fees (fees relating to the compensation of Board members)	$-	$18,910
Towers Watson Canada Inc.		
Fees relating to the compensation of executive officers	$131,358	$22,638
Other fees (fees relating to the compensation of non-executive employees)	$41,313	$447,846

Directors' Compensation

Except for the President and Chief Executive Officer, who does not receive any compensation as a director for attending meetings of the Board or its committees, directors receive the compensation set out in the chart on the following page.

Directors' compensation is paid to them in cash or in deferred share units of iA Financial Corporation ("**DSUs**") at their option. If they wish to receive all or part of their compensation in DSUs, directors must notify the Corporation before May 31 of a given year, otherwise the compensation will be paid in cash. This choice applies to the 12-month period starting on June 1 of that same year and ending on May 31 the following year. A DSU is an accounting entry corresponding to the value of Common Shares credited to an account in the director's name and payable in cash on a specific date after he or she leaves the Board.

The chart on page 37 shows the total compensation paid to the directors for services rendered to iA Financial Corporation and iA Insurance in 2019. The compensation is divided equally between the two corporations.

In accordance with the current policy, directors' compensation is analysed and revised periodically by the Governance and Ethics Committee, which reviews the adequacy and the form of directors' compensation and makes recommendations in this respect to the Board to ensure that such compensation realistically reflects the responsibilities of the directors and that it is competitive and fair, without compromising directors' independence.

An in-depth review was performed in 2018. Hugessen Consulting Inc. was retained and assisted the Committee with its analysis. Part of this analysis involved reviewing the compensation of non-executive members of the Board of Directors of the following group of peers (companies of comparable size to the Corporation):

Canadian Western Bank Laurentian Bank of Canada National Bank of Canada	CI Financial Corp. E-L Financial Corporation Limited Genworth MI Canada Inc.	TMX Group Ltd. Intact Financial Corporation IGM Financial Corporation Inc.

Following the analysis and review, a new compensation structure was adopted by the Board of Directors and implemented as of October 1, 2018.

The annual compensation is now fixed and corresponds to the functions exercised by the directors in the various committees.

Our compensation structure:

— is competitive;

— is simple and easy to administer;

— takes an egalitarian approach between the committees; and

— ensures mobility between the committees.

The following table summarizes the various elements of compensation paid to the Board and committee members for 2019:

	Compensation ($)
Annual Board Chair Retainer	220,000
Directors' Annual Board Retainer[1]	100,000
Additional Committee Chair Retainer[2]	
Audit Committee	25,000
Investment Committee	25,000
Human Resources and Compensation Committee	25,000
Governance and Ethics Committee	25,000
Additional Committee Member Retainer[2]	
Audit Committee	15,000
Investment Committee	15,000
Human Resources and Compensation Committee	15,000
Governance and Ethics Committee	15,000
Board or Committee Attendance Fees in the event of more than two additional meetings (not planned in the director-approved schedule) per year[3]	1,500 in person 1,000 by telephone
Attendance Fees for Special Non-Meeting Mandates upon Chair of the Board Approval	1,500
Travel Allowance[4]	1,500

(1) Other than the Chair of the Board.
(2) The Chair of the Board does not receive this compensation.
(3) If a meeting is spread over two days, an attendance fee shall be paid for each of the days.
(4) Applies to a director who resides outside of the provinces of Quebec and Ontario, to attend one or more Board and/or committee meetings in Quebec.

Directors are also entitled to be reimbursed for expenses incurred to attend Board meetings or committee meetings. Directors other than the President and Chief Executive Officer do not receive pension benefits and are not eligible for stock options.

iA Financial Corporation and iA Insurance implemented a group insurance policy that guarantees, at no charge, $20,000 in life insurance to each independent director in office and $10,000 in life insurance to each independent director who leaves these Boards of Directors after 10 years of service, also at no charge.

Denis Ricard, President and Chief Executive Officer of the Corporation, does not receive any compensation in his capacity as director of the Corporation.

The following table shows total compensation paid to the directors for the year ended December 31, 2019:

	Fees(1) Received in Cash	Fees(1) Received as DSUs	Percentage in DSUs	Total
	$	$	%	$
Jocelyne Bourgon(2)	0	4,637	100	4,637
Robert Coallier	50,054	0	0	50,054
Agathe Côté	47,417	88,083	65	135,500
Benoit Daignault	41,483	44,888	52	86,371
Nicolas Darveau-Garneau	0	123,500	100	123,500
Emma K. Griffin	140,400	15,600	10	156,000
Michael Hanley	25,027	25,027	50	50,054
Claude Lamoureux	0	134,000	100	134,000
Ginette Maillé	58,027	0	0	58,027
Jacques Martin	240,500	0	0	240,500
Monique Mercier	8,038	80,333	91	88,371
Danielle G. Morin	140,452	0	0	140,452
Marc Poulin	90,892	48,559	35	139,451
Denis Ricard	0	0	0	0
Mary C. Ritchie	45,616	0	0	45,616
Louis Têtu	0	116,500	100	116,500
Total	**887,906**	**681,127**		**1,569,033**

(1) Includes attendance fees, if applicable, and travel allowances, but does not include reimbursement of expenses.
(2) Ms. Jocelyne Bourgon ceased to be a director on January 15, 2019.

Compensation Analysis

For fiscal year 2019, the Named Executive Officers are:

Denis Ricard
President and Chief Executive Officer

Jacques Potvin
Executive Vice President, Chief Financial Officer and Chief Actuary

Michael L. Stickney
Executive Vice President and Chief Growth Officer

Carl Mustos
Executive Vice President, Wealth Management

Alain Bergeron
Executive Vice President and Chief Investment Officer

Normand Pépin
Executive Vice president and Assistant to the President (retired)

The mandate of the Human Resources and Compensation Committee is to recommend to the Board the compensation strategy and to annually revise the compensation policies concerning employees, executive officers and the President and Chief Executive Officer. The Committee has therefore structured the executive compensation program and policies for the purpose of supporting the Corporation's vision and strategic priorities.

We believe that iA Insurance's success in achieving its objectives depends on our team's commitment and performance and that executive compensation is a tool that plays an important role in our success and in the increase in Shareholder value.

The following analysis provides a description and brief explanation of the executive compensation program and each of its components.

Decision-making Process

Our decision-making process involves management, the Human Resources and Compensation Committee and the recommendations of external compensation advisors and must be approved by the Board of Directors.

Executive officers' salary and bonus conditions are established according to a comparison with the compensation that is payable in the financial services industry in Canada. The objectives of each Named Executive Officer are established at the beginning of the year. The Human Resources and Compensation Committee evaluates the performance of the President and Chief Executive Officer according to his objectives and after consultation with the members of the Board. Under the supervision of the Board of Directors, the President and Chief Executive Officer evaluates the performance of the other Named Executive Officers.

Comparator Groups

The Human Resources and Compensation Committee annually evaluates our compensation program's positioning in the market. The evaluation is performed using a comparator group that serves as a reference group. The comparator group comprises companies in the financial industry, excluding the five major banks, selected on the basis of earnings, net income and market capitalization.

The following companies are included in our comparator group:

Laurentian Bank of Canada	Element Fleet Management Corp.	TMX Group Limited
National Bank of Canada	Fairfax Financial Holdings Limited	Home Capital Group Inc.
Canadian Western Bank	Genworth MI Canada Inc.	Intact Financial Corporation
CI Financial Corp.	Sun Life Financial Inc.	IGM Financial Corporation Inc.
E-L Financial Corporation Limited	Great-West Lifeco Inc.	Manulife Financial Corporation

Furthermore, to evaluate the performance of our Mid-Term Incentive Plan, we use a comparator group composed of companies selected by taking into account the business segments (insurance or wealth management) and market capitalization (the companies must be listed on a stock exchange). The group also includes a certain number of American insurance companies to reflect our growing U.S. presence.

The following companies are included in the comparator group:

Laurentian Bank of Canada	Sun Life Financial Inc.	Lincoln National Corporation
National Bank of Canada	Genworth MI Canada Inc.	Principal Financial Group Inc.
Canadian Western Bank	Great-West Lifeco Inc.	IGM Financial Corporation Inc.
CI Financial Corp.	TMX Group Limited	Manulife Financial Corporation
Element Fleet Management Corp.	Home Capital Group Inc.	Globe Life Inc.
Fairfax Financial Holdings Limited	Intact Financial Corporation	Unum Group

Variable Compensation Recoupment (Clawback) Policy

If iA Financial Corporation's financial statements have to be restated by reason of gross negligence, wilful misconduct or fraud by an executive officer, the Board or the Governance and Ethics Committee may, at its sole discretion, require the executive officer to reimburse or cancel a part or all of the variable compensation paid or vested or awarded to him or her in the past 12 months (annual bonus, DSUs, PSUs and stock options).

In addition, the Board of Directors or the Governance and Ethics Committee may require the reimbursement or cancellation of a part or all of the variable compensation paid to, granted to or acquired by the President and Chief Executive Officer or the Executive Vice President, Chief Financial Officer and Chief Actuary over the past 12 months, following his willful misconduct or gross negligence that either has resulted in, or could reasonably be expected to result in, negative economic or reputational consequences for the Corporation, regardless of whether iA Financial Corporation's financial statements must be restated.

Compensation Components

The following table summarizes each of the five components of the executive compensation program for the fiscal year ended December 31, 2019:

Compensation Component		Form	Compensation Period	Basis of Determination	Objective
Direct Compensation					
Fixed	Base Salary	Cash	1 year	Based on reference market, individual performance and internal equity. Reflects level of responsibility, skills and experience.	Retention and equity
Variable	Annual Incentive Plan – Annual Bonus	Cash	1 year	Based on reference market. Actual award based on combination of Corporation, divisional and individual performance.	Retention and differentiation
		Deferred Share Units (**DSU**)	Until executive retires or leaves the Corporation	Possibility for executives to defer some or all of their annual bonus in DSUs redeemable for cash only upon termination of employment, retirement or death. Payment taking into account the reinvestment of notional dividends over the life of the DSUs and the fair market value of the Common Shares at the time of redemption.	Recognize executives' contribution to and involvement in the Corporation's results
Variable	Mid-Term Incentive Plan	Performance Share Units (**PSU**)	3 years	Awarded annually, based on individual performance and Corporation performance. Final payout value based on the Common Share price on the date of vesting and the level of performance achieved by the Corporation.	Align the efforts of the management team toward the achievement of ambitious financial performance objectives
Variable	Long-Term Incentive Plan	Stock options	10 years, with 25 % vesting per year over 4 years starting 1 year after the grant date	Awarded annually, based on individual performance and Corporation performance. Final payout value based on the difference between the Common Share price on the date of the grant and the date of exercise.	Long-term retention and differentiation Brings compensation of Corporation executives in line with increased Common Shareholder value.
Indirect Compensation					
Pension and Benefits plan		Group life and health insurance program and pension plan	Ongoing	Based on the reference market.	Employee engagement

The components of compensation vary according to the executive's level. A significant proportion of total compensation is at risk to ensure alignment with the interests of iA Financial Corporation Common Shareholders and other key stakeholders. Payments made under the variable compensation plans depend on the ability of the executive to influence short- and long-term business results and the executive's level.

The following table illustrates the breakdown of total direct compensation for the following four components: base salary, annual bonus, Mid-Term Incentive Plan and Long-Term Incentive Plan. Retirement and employment benefits plans are not included.

Scale	Base Salary	Target Annual Bonus	Performance Share Units	Stock Options	Total Portion of Compensation that is Variable
President and Chief Executive Officer	35 %	25 %	15 %	25 %	65 %
Executive Vice President	35 %- 50 %	20 % - 25 %	15 % - 20 %	10 % - 30 %	50 % - 65 %
Senior Vice President and equivalent	55 % - 65 %	25 % - 30 %	15 %	0 % - 10 %	35 % - 45 %
Vice President	60 % – 70 %	15 % - 30 %	10 % - 20 %	0 %	30 % - 40 %

Base Salary

Base salary compensates employees for the role they perform in the Corporation. Base salaries and salary ranges, including the minimum, midpoint and maximum, are benchmarked against comparable roles in companies of its reference market and, internally, against similar roles. Base salaries for all employees are reviewed annually and adjusted, as appropriate, based on individual performance, competencies, responsibilities, and competitive market data.

The Human Resources and Compensation Committee reviews and recommends to the Board of Directors:

- increases in base salary for the President and Chief Executive Officer;
- following the recommendations made by the President and Chief Executive Officer, salary increases of executive officers and the aggregate salary increase for all other staff members.

Annual Incentive Plan – Annual Bonus

The annual bonus plan rewards executive officers for achieving short-term strategic and operational goals. It encourages the attainment of superior results based on the achievement of pre-established annual objectives that the Corporation, sectors and individuals must accomplish.

The plan's objectives are as follows:

- Promote our mission among executives;
- Foster superior overall performance in terms of the Corporation's goals;
- Encourage higher productivity;
- Recognize executive contributions to, and involvement in, attaining our goals; and
- Offer compensation that favourably positions us within our reference market.

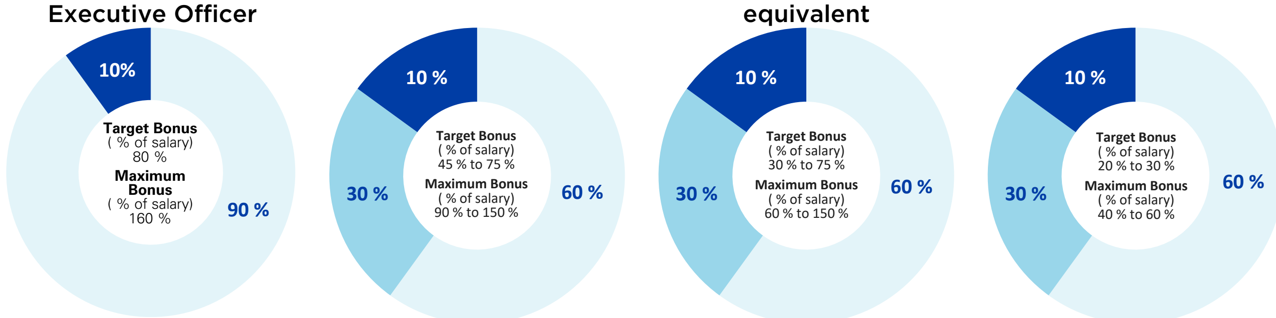
The annual bonus plan is based on five performance indicators:

Indicator	Indicator Justification
Return on Equity	Alignment with the interests of Common Shareholders of iA Financial Corporation
New Business	Support our growth objectives
Cost Control	Encourage sound management of expenses
Divisional Objectives	Align objectives of each division with our business plan
Individual Component	Promote strategic leadership by senior management

The target bonuses vary as a percentage of base salary and are aligned with median incentive targets of companies from the comparator group. Target bonuses for all levels are reviewed annually to ensure ongoing market competitiveness. The minimum award under the bonus plan is zero when the performance of the Corporation, the division and/or the individual is below minimum performance thresholds. The maximum bonus available for exceeding individual performance objectives is based on our business plan for the fiscal year. These targets are intended to be challenging but achievable.

The typical weighting for the 2019 annual bonus was as follows:

President and Chief Executive Officer | **Executive Vice President** | **Senior Vice President and equivalent** | **Vice President**



- Business Performance Weighting (Corporation)
- Business Performance Weighting (Business Unit)
- Individual Components

The target bonus is based on four objectives:

1	The achievement of profitability objectives	**2**	Business development
3	Cost control	**4**	Criteria specific to each Named Executive Officer such as division goals and individual measures

The specific criteria for the President and Chief Executive Officer are evaluated by the members of the Human Resources and Compensation Committee. Under the supervision of the Board, the specific criteria for the other Named Executive Officers are evaluated by the President and Chief Executive Officer. The weighting for the 2019 annual bonus for each Named Executive Officer was as follows:

		Business Performance Rating		
Named Executive Officer	**Target Bonus**	**Corporation**	**Business Unit**	**Individual Components**
	% of salary	**%**	**%**	**%**
Denis Ricard	80	90	-	10
Jacques Potvin	55	30	60	10
Michael L. Stickney	58.33	50	40	10
Carl Mustos	65	50	40	10
Alain Bergeron	-	-	-	-
Normand Pépin	56.25	100	-	-

The target bonus objectives represent challenging but achievable objectives and are consistent with the overall strategy. They are stress tested through modeling of various performance scenarios to ensure that potential payouts are aligned with the corporate strategy.

The target bonus is paid when the financial results are in line with the business plan and the qualitative evaluation fully meets expectations. For each objective, the bonus paid may vary between 50 % and 200 % of the target bonus based on pre-established minimums and maximums.

Payment of the bonus is conditionnal upon the attainment of a profit trigger:

The bonus is reduced if the profit is lower than 80% of the budget for the years.

No bonus is payable if the profit is below 70% of the budget.

The determination of objectives for purposes of the bonus plan takes into account the strategic plan approved by the Board, as well as the objectives communicated to the financial markets. The 2019 objectives were as follows:

	Minimum	Target	Maximum
Return on Equity	9 %	11.7 %	12.5 %
New Business[(1)]	Varies according to the business line and based on the 2018 results	Budget	Budget + between 5 % and 30 %, varies according to the business line
Cost Controls[(1)]	103 % of budget	Budget	94 % of budget

(1) The amounts of the individual objectives of each executive officer pertaining to new business and cost control constitute confidential information whose disclosure could greatly harm the Corporation's interests. Disclosure of these amounts and quantitative results would provide highly confidential data to the Corporation's competitors, as well as key strategic information that is not publicly known and could influence the markets in an inappropriate manner. These amounts are therefore not disclosed directly, but as percentages.

Deferred Share Units (DSUs)

Executives can elect to convert a portion or all of their annual bonus to DSUs. To do this, executives must notify the Corporation thereof prior to May 31 of the calendar year during which the annual bonus is earned, otherwise the bonus will be paid to them in cash. When incentive awards are determined, the amount elected is converted into DSUs that have a value equal to the average closing price of a Common Share on the Toronto Stock Exchange for the five trading days preceding the date of conversion. DSUs accrue notional dividends and are payable in cash only upon termination of employment, retirement or death.

Mid-Term Incentive Plan (PSUs)

Executives are eligible for a Mid-Term Incentive Plan based on performance share units. The awarding of PSUs is determined by the Human Resources and Compensation Committee upon recommendation of the President and Chief Executive Officer (unless it is in fact his own PSUs).

The objectives of this plan are as follows:

- Reinforce the compensation philosophy based on the Corporation's performance by rewarding those who successfully execute its business strategy and achieve key objectives;
- Align the interests of the executives with those of the Common Shareholders of iA Financial Corporation;
- Measure mid-term performance as a complement to the measurement of annual performance under the short-term incentive plan and the measurement of long-term performance under the iA Financial Corporation Stock Option Plan; and
- Offer competitive compensation for the purposes of attracting and retaining talented executives.

For information on the achievement of these objectives, refer to the section "Payment of PSU Awards from 2017."

Each PSU award is vested based on a performance cycle of three fiscal years beginning on January 1 the year it is granted and ending on December 31 of the third year.

Vesting is therefore subject to a three-year period and a performance factor. The value of each PSU awarded is equal to the arithmetical average of the weighted average prices of iA Financial Corporation's Common Shares (listed on the Toronto Stock Exchange under the ticker symbol IAG) for the first 20 trading days of the reference period.

The vesting of PSUs has been based on a two-component performance factor: 25 % based on total Common Shareholder return compared to the target group ("TSR") and 75 % based on the Corporation's net income performance over three years. The total net income target is set annually with a view to each PSU award.

The following table presents, for the last three fiscal years, the PSUs awarded, the target to be reached in order to determine the actual value of PSUs that will be awarded at the end of the reference period and the vesting schedule.

3-Year Target (reference period)	Number of PSUs Awarded	Number of PSUs outstanding as at December 31, 2019[1]	Performance Level	Net Income Performance Scale	Total Common Shareholder Return Percentile rank of relative TSR	Performance Multiplier
2019-2021	48,537	43,868	Maximum or above	$2,250 million	1 to 35	150 %
				$2,175 million	36 to 45	125 %
			Target	$2,100 million	46 to 55	100 %
				$1,875 million	56 to 65	75 %
			Threshold	$1,650 million	66 to 75	50 %
			Under threshold	N/A	N/A	0 %
2018-2020	36,787	27,565	Maximum or above	$2,050 million	1 to 35	150 %
				$1,975 million	36 to 45	125 %
			Target	$1,900 million	46 to 55	100 %
				$1,550 million	56 to 65	75 %
			Threshold	$1,400 million	66 to 75	50 %
			Under threshold	N/A	N/A	0 %
2017-2019	19,261	10,021	Maximum or above	$1,850 million	1 to 35	150 %
				$1,775 million	36 to 45	125 %
			Target	$1,700 million	46 to 55	100 %
				$1,450 million	56 to 65	75 %
			Threshold	$1,300 million	66 to 75	50 %
			Under threshold	N/A	N/A	0 %

(1) An amount equivalent to the dividends paid on the Common Shares is converted into additional PSUs. This column indicates the number of PSUs initially granted plus an additional number of PSUs granted as dividends.

The payout value of each vested PSU at the end of the performance period is equal to the arithmetic average of the weighted average prices of iA Financial Corporation's Common Shares for the last 20 trading days of that period multiplied by the performance factor. This payout value is payable in cash only.

Long-Term Incentive Plan (Stock Option Plan)

We have set up an iA Financial Corporation Stock Option Plan for officers and full-time employees or other service providers of the Corporation and its subsidiaries who are designated from time to time by the Board of Directors or by any committee of the Board having authority in this regard.

- Since the adoption of the iA Financial Corporation Stock Option Plan in February 2001, 11,350,000 options have been reserved for awards under the Plan, or 10.61 % of the outstanding Common Shares as at December 31, 2019.
- Excluding options that were cancelled, a total of 9,432,983 options were granted by the Human Resources and Compensation Committee pursuant to the Plan and 1,965,483 were outstanding as at December 31, 2019, representing respectively 8.82 % and 1.84 % of the outstanding Common Shares as at December 31, 2019.
- During the fiscal year ended December 31, 2019, we granted 348,000 options, representing approximately 0.33 % of the total Common Shares issued and outstanding as at that date.
- As at December 31, 2019, taking into consideration the options granted in 2019, there was a total of 1,917,017 stock options remaining issuable under the Plan, representing 1.79 % of the outstanding Common Shares.

The Stock Option Plan of iA Financial Corporation allows the Human Resources and Compensation Committee to grant stock options to the Corporation's executives as part of their long-term compensation.

The goals of the iA Financial Corporation Stock Option Plan are to:

- Make available to the Corporation a share-based plan for attracting, retaining and motivating executives whose skills, performance and loyalty towards the Corporation and certain subsidiaries are essential to their success, image, reputation, and operations;
- Foster the development and successfully implement the Corporation's continued growth strategy;
- Link a part of executive compensation to the creation of economic value for the Common Shareholders; and
- Support the compensation structure designed to compensate executive officers based on performance.

Awards are approved by the Human Resources and Compensation Committee after considering the recommendation of the President and Chief Executive Officer.

At the time of the award, the Human Resources and Compensation Committee determines the number of Common Shares underlying the options, the exercise price, the expiry date of the option, and the date from which it may be exercised.

The number of options is based on the expected impact of the executive's participation on the Corporation's performance and strategic development as well as on a comparative analysis of the reference market. When new stock options are granted, prior awards are not taken into consideration as the awards are designed to encourage superior performance for the current year and align long-term interests of the executives with those of the Common Shareholders.

It is generally expected, for executives, that the Committee will grant options on a yearly basis in the month of February. The number of options granted annually to each of the executives is based on the participant's compensation, potential, reporting level and participation in our results. No option may be granted for a term of more than 10 years, and the exercise price of each option is equal to the weighted average price of the Common Shares traded on the Toronto Stock Exchange during the five trading days immediately preceding the day on which the options are granted.

In addition, the iA Financial Corporation Stock Option Plan provides that the maximum number of Common Shares that may be reserved for issuance to any one person pursuant to the exercise of stock options granted under the Plan or pursuant to any other share compensation arrangement may not exceed 1.4 % of the issued and outstanding shares at the time of the grant.

Also, the Plan provides that the total number of Common Shares that may be issued to insiders at any time pursuant to the exercise of stock options granted under the Plan and any other share compensation arrangements may not, without the approval of the Common Shareholders, exceed 10 % of the outstanding shares.

It is also stipulated that the number of shares issued under the Plan and any other share compensation arrangements in a one-year period shall not exceed 10 % of the outstanding Common Shares in the case of insiders, or 1.4 % of the outstanding shares in the case of shares issued to any one insider and that insider's associates.

Unless otherwise indicated by the Human Resources and Compensation Committee, at the time of grant, options may be exercised in whole or in part at any time, provided that:

- no option is exercised prior to the first anniversary of the grant; and
- a maximum of 25 %, 50 %, 75 % and 100 % of the total number of optioned Common Shares may be acquired as at the first, second, third, and fourth anniversary, respectively, of the grant.

Upon the exercise of options, the Corporation may elect to issue Common Shares or proceed with a cash payment, subject to a maximum cash amount determined by the Committee.

We do not provide financial assistance to permit the exercise of options granted under the iA Financial Corporation Stock Option Plan. Under the iA Financial Corporation Stock Option Plan, options are not transferable.

Under certain circumstances, the expiry date of the options is accelerated, with the result that options vested at the date of a specific event cannot be exercised after the accelerated expiry date. Unless the Committee decides otherwise, the options unvested at the date of the specific event in question cease to exist and can never be exercised.

These events and accelerated expiry dates are:

- If the participant resigns or is dismissed for cause, the accelerated expiry date is the date of resignation or dismissal;
- In the event of death, the accelerated expiry date is six months following death; and
- in the event of termination for any other reason, the accelerated expiry date is three years following termination. The Committee may, in such cases, modify the number of options vested at the date of the event.

The Human Resources and Compensation Committee may, subject to regulatory approval and, where applicable, Common Shareholder approval, where required and at its discretion, amend the iA Financial Corporation Stock Option Plan and the terms of options thereafter to be granted and, without limiting the generality of the foregoing, make amendments to comply with applicable laws and regulations, provided that any such amendments not alter the terms of any outstanding options or impair any rights of the holders thereof.

The Human Resources and Compensation Committee may, without iA Financial Corporation's Common Shareholder approval, but subject to receipt of regulatory approval, where required, at its sole discretion, make certain other amendments to the Plan or stock options under the Plan that are not contemplated in the Plan, including, without limitation, amendments of a "housekeeping" or clerical nature, amendments clarifying any provision of the Plan and amendments required to comply with applicable securities laws, rules, regulations or policies, a change to the vesting provisions of a stock option, a change to the termination provisions of a stock option which does not entail an extension beyond its original expiry date, and suspending or terminating the Plan.

Since 2018, we have significantly reduced the number of participants in the Stock Option Plan, which resulted in lessening this Plan's dilution effect. While we used to award approximately 500,000 stock options annually, this number has been reduced to approximately 300,000 since 2018. The majority of the participants who no longer receive stock options now qualify for the Mid-Term Incentive Plan.

Reduced number of options

The following table indicates the number of options outstanding and exercisable under the iA Financial Corporation Stock Option Plan as at December 31, 2019.

Options Outstanding for the Last Financial Year

Plan Category	Number of Shares to be Issued upon Exercise of Outstanding Options, Warrants, or Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants, and Rights	Number of Shares Remaining for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in the First Column)
Equity compensation plans approved by Common Shareholders	1,965,483	$47.34	1,917,017
Equity compensation plans not approved by Common Shareholders	N/A	N/A	N/A

Burn Rate

The following table presents the burn rate over the past three fiscal years. The burn rate corresponds to the total number of options awarded during each fiscal year expressed as a percentage of the weighted average number of outstanding Common Shares of iA Financial Corporation during the applicable fiscal year.

	2019	2018	2017
Number of options awarded	348,000	311,333	491,000
Weighted average number of outstanding shares for the applicable fiscal year	106,852,579	109,033,157	106,453,057
Burn rate	0.33 %	0.29 %	0.46 %

Pension and Benefits Plan

Executives participate in a benefits plan just like any other employee.

The plan includes life insurance, health and dental insurance, short- and long-term disability insurance, accidental death and dismemberment insurance and emergency travel assistance.

We pay the majority of the costs associated with those benefits, but employees (including executives) must also contribute to this plan. The benefits plan is comparable to those offered by other companies in the comparator group. Executive officers also receive perquisites as part of their compensation, the value of which varies depending on the position occupied and is comparable to what is offered by other companies within the comparator group.

Executive officers also participate in the registered defined benefit pension plan and qualify for supplemental pension benefits under the supplemental pension plans. Other sections of this *Annual Information Form* provide further information on these plans.

Executive Share Ownership

We have adopted a policy requiring certain key executive officers to hold Common Shares or DSUs of iA Financial Corporation equal to a multiple of their base salary as follows:

	Multiple of Annual Base Salary
President and Chief Executive Officer →	3 x
Executive Vice President and equivalent →	2 x
Senior Vice President and equivalent →	1 x

Each new officer has five years from the date of his or her hiring or appointment, whichever occurs last, to meet this requirement. As of March 9, 2020, the Named Executive Officers comply with the policy. In accordance with the *Executive Share Ownership Policy*, officers are prohibited from participating in monetization or other hedging activities related to the securities of the Corporation or of iA Financial Corporation they hold as well as with respect to their share-based compensation awards of the iA Financial Corporation. The President and Chief Executive Officer has agreed not to sell securities held under the *Executive Share Ownership Policy* for a period of one year following the termination of his employment with the Corporation.

The following table shows, as at March 9, 2020, the number and value of Common Shares and DSUs held by Named Executive Officers. The value of Common Shares and DSUs is established by multiplying the closing price of Common Shares on the Toronto Stock Exchange on March 9, 2020 ($53.63) by the number of Common Shares and DSUs held by the Named Executive Officer on that date.

	Common Shares		DSUs		Total Value	Complies with Executive Share Ownership Policy
	Number	$	Number	$	$	
DENIS RICARD	35,000	1,877,050	44,935	2,409,864	4,286,914	Yes
JACQUES POTVIN	7,163	384,152	8,256	442,769	826,921	Yes
MICHAEL L. STICKNEY	19,500	1,045,785	1,205	64,624	1,110,409	Yes
CARL MUSTOS	4,400	235,972	-	-	235,972	Yes
ALAIN BERGERON	-	0	-	0	0	Yes

Details of Individual Compensation

DENIS RICARD

President and Chief Executive Officer

President and Chief Executive Officer since September 1, 2018, Denis Ricard is responsible for the Corporation's strategic planning and positioning, as well as growth and value creation for our Shareholders and other stakeholders.

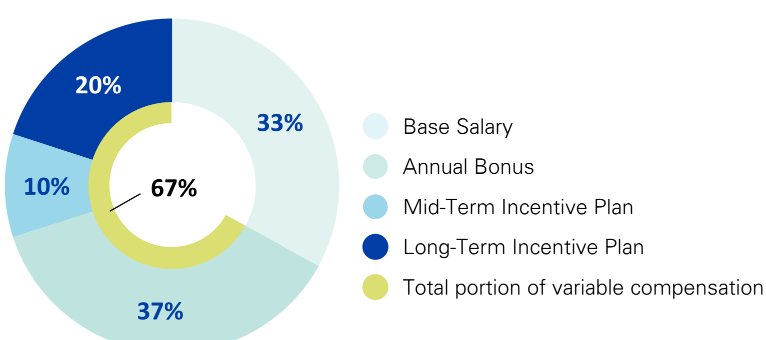
Mr. Ricard oversees the implementation of the Corporation's strategy and policies and ensures its monitoring and constant evolution. He is also responsible for identifying and seizing business opportunities that arise in the course of the Corporation's business.

Last three fiscal years' Total Direct Compensation

	2019	2018	2017
Base Salary	$842,960	$671,375	$474,349
Annual Bonus	$947,858	$762,911	$401,849
Mid-Term Incentive Plan	$252,893	$178,341	$137,370
Long-Term Incentive Plan[(1)]	$492,600	$670,663	$431,550
Total Direct Compensation	**$2,536,311**	**$2,283,290**	**$1,445,118**

(1) Estimated value of stock options calculated using the Black-Scholes model: $8.21 in February 2019, $13.24 in February 2018, $10.58 in July 2018 and $12.33 in February 2017.

Total Direct Compensation



History of the Compensation of the President and Chief Executive Officer

One of the underlying guidelines of the compensation objectives is the alignment of compensation with Common Shareholder interests. Compensation related to the Mid-Term Incentive Plan and to the Long-Term Incentive Plan is one way this is achieved.

The following table shows the total direct compensation awarded to our President and Chief Executive Officer over the past five years (Mr. Denis Ricard in 2018 and 2019 and Mr. Yvon Charest from 2015 to 2017) along with the current actual value of this compensation in comparison with Common Shareholder value.

	Total Direct Compensation		Value of $100	
	Initial Value(1)	Actual Value at December 31, 2019(2)	Value for the President and Chief Executive Officer(3)	Common Shareholder Value ($)(4)
2015	$2,150,853	$3,915,119	$182.03	$182.36
2016	$2,586,734	$4,094,598	$158.29	$182.86
2017	$2,443,322	$2,487,175	$101.79	$145.14
2018	$2,283,290	$2,379,848	$104.23	$126.78
2019	$2,536,311	$3,321,958	$130.98	$168.35

(1) Includes salary and variable compensation awarded at year-end for annual performance.
- The actual value as at December 31, 2019 includes the following:
- Salary and annual cash bonuses received during the award year;
- The actual value derived from PSUs and exercised options granted during the award year, at the time of vesting;
- The value as at December 31, 2019 of the PSUs awarded during the award year that have not vested; or

(2) The in-the-money value at December 31, 2019 of stock options awarded during the award year that are not vested or that are vested but have not been exercised.

(3) Represents the actual value for Mr. Charest or Mr. Ricard of each $100 of total direct compensation awarded during the indicated year.

(4) Represents the cumulative value of an investment of $100 in the shares made the first trading day of the indicated year, assuming the reinvestment of dividends.

Evaluation Process for the President and Chief Executive Officer

The Human Resources and Compensation Committee evaluates the performance of the President and Chief Executive Officer based on performance and strategic objectives that have been determined for him at the beginning of the year. At the beginning of the following year, the performance objectives are compared with the financial results obtained by the Corporation and the strategic objectives are evaluated in connection with a process that may include a self-assessment, an evaluation by executive officers and an evaluation by directors. As part of this process, the Chair of the Board compiles the results and finalizes the evaluation with the Human Resources and Compensation Committee.

Calculation of the 2019 Annual Bonus

	Weighting (%)	Bonus as a % of Target	Bonus ($)
Return on Shareholders' Equity	35	200	472,058
New Business	30	83.1	168,120
Cost Control	10	50	33,718
Divisional Objectives and Qualitative Assessment	25	162.5	273,962
Total	**100**	**140.6**	**947,858**
Profit Threshold Met		Yes	Yes
Total Bonus Paid		**140.6**	**947,858**

JACQUES POTVIN

Executive Vice President, Chief Financial Officer and Chief Actuary

Jacques Potvin has acted as Executive Vice President, Chief Financial Officer and Chief Actuary since February 2018 and is a member of the Corporation's Executive Committee. Mr. Potvin is responsible for ensuring the sound financial management and long-term financial sustainability of the Corporation. He also oversees the corporate financing activities.

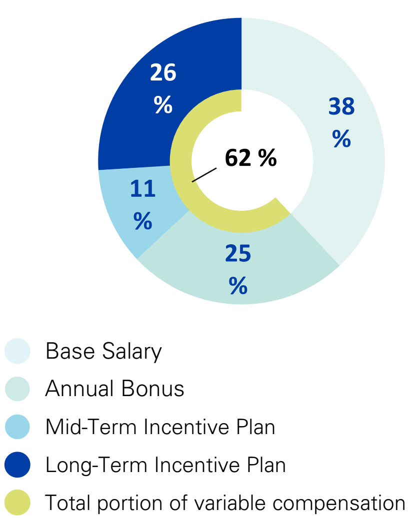
Mr. Potvin oversees the actuarial, risk management, accounting and tax services, investor relations, legal services and material resources.

Last three fiscal years' Total Direct Compensation

	2019	2018	2017
Base Salary	$418,910	$350,990	$236,243
Annual Bonus	$270,873	$253,665	$128,712
Mid-Term Incentive Plan	$125,672	$92,260	N/A
Long-Term Incentive Plan(1)	$287,350	$264,800	$73,980
Total Direct Compensation	$1,102,805	$961,715	$438,935

(1) Estimated value of stock options calculated using the Black-Scholes model: $8.21 in February 2019, $13.24 in February 2018 and $12.33 in February 2017.

Total Direct Compensation



Calculation of the 2019 Annual Bonus

	Weighting	Bonus as a % of Target	Bonus
	%		$
Return on Shareholders' Equity	10	200	46,080
New Business	10	83.1	19,146
Cost Control	10	50	11,520
Divisional Objectives and Qualitative Assessment	70	120.0	193,536
Total	**100**	**117.3**	**270,283**
Profit Threshold Met		Yes	Yes
Total Bonus Paid		**117.3**	**270,283**

MICHAEL L. STICKNEY

Executive Vice President and Chief Growth Officer

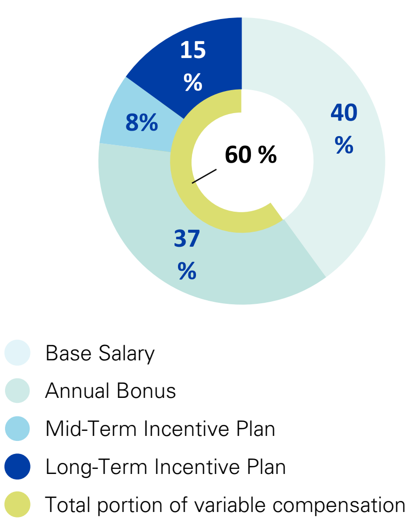
Michael Stickney has been Executive Vice President and Chief Growth Officer since September 1, 2019. He is also a member of the Corporation's Executive Committee. Mr. Stickney oversees the growth initiatives of all the Corporation's business lines, both in Canada and the United States. He oversees U.S. operations, which have experienced strong growth organically and through acquisitions under his leadership. He contributes to the achievement of the group's objectives by supporting the implementation of growth strategies of all the lines of business. Michael Stickney heads Individual Insurance and Annuities, Wealth Management, Group Insurance and Group Savings, Special Markets Solutions, Dealer Services and U.S. Operations.

Last three fiscal years' Total Direct Compensation

	2019	2018	2017
Base Salary	$519,057	$463,483	$453,509
Annual Bonus	$478,807	$279,887	$208,494
Mid-Term Incentive Plan	$110,497	$107,465	$104,982
Long-Term Incentive Plan(1)	$188,830	$304,520	$283,590
Total Direct Compensation	$1,297,191	$1,155,355	$1,050,575

(1) Estimated value of stock options calculated using the Black-Scholes model: $8.21 in February 2019, $13.24 in February 2018 and $12.33 in February 2017.

Total Direct Compensation



Calculation of the 2019 Annual Bonus

	Weighting	Bonus as a % of Target	Bonus
	%		$
Return on Shareholders' Equity	25	200	167,699
New Business	15	83.1	41,807
Cost Control	10	50	16,770
Divisional Objectives and Qualitative Assessment	50	150.6	252,531
Total	**100**	**142.8**	**478,807**
Profit Threshold Met		Yes	Yes
Total Bonus Paid		**142.8**	**478,807**

CARL MUSTOS

Executive Vice President
Wealth Management

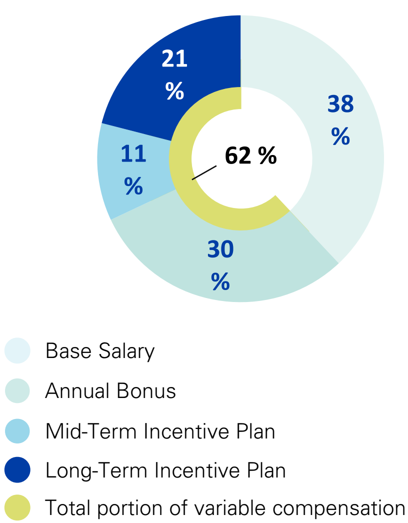
Carl Mustos is the Executive Vice President, Wealth Management and is a member of the Corporation's Executive Committee. Mr. Mustos oversees the growth strategies and the operations of all the wealth management subsidiaries of the iA Group, including the brokerage firms regulated by the Investment Industry Regulatory Organization of Canada and by the Mutual Fund Dealers Association of Canada. Mr. Mustos also oversees the group's entire mutual fund division.

Last three fiscal years' Total Direct Compensation

	2019	2018	2017
Base Salary	$514,000	$488,510	$450,000
Annual Bonus	$406,609	$324,165	$366,795
Mid-Term Incentive Plan	$154,200	$138,360	$135,002
Long-Term Incentive Plan[(1)]	$287,350	$463,400	$431,550
Total Direct Compensation	$1,362,159	$1,414,435	$1,383,347

(1) Estimated value of stock options calculated using the Black-Scholes model: $8.21 in February 2019, $13.24 in February 2018 and $12.33 in February 2017.

Total Direct Compensation



Calculation of the 2019 Annual Bonus

	Weighting	Bonus as a % of Target	Bonus
	%		$
Return on Shareholders' Equity	30	200	200,460
New Business	10	83.1	27,764
Cost Control	10	50	16,705
Divisional Objectives and Qualitative Assessment	50	96.8	161,680
Total	**100**	**121.7**	**406,609**
Profit Threshold Met		Yes	Yes
Total Bonus Paid		**121.7**	**406,609**

ALAIN BERGERON

Alain Bergeron has been Executive Vice President and Chief Investment Officer since September 3, 2019. In his role, he is responsible for managing and overseeing the Corporation's investment portfolios, including the general fund assets and the investment funds. Mr. Bergeron is a member of the Corporation's Executive Committee

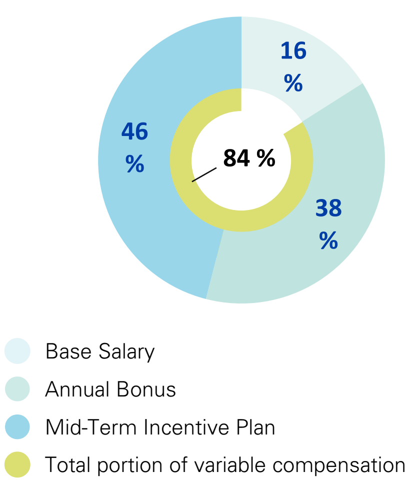
Executive Vice President and Chief Investment Officer

Last three fiscal years' Total Direct Compensation

	2019	2018	2017
Base Salary	$180,822	N/A	N/A
Annual Bonus	$412,500	N/A	N/A
Mid-Term Incentive Plan	N/A	N/A	N/A
Long-Term Incentive Plan[1]	$502,800	N/A	N/A
Total Direct Compensation	$1,096,122	N/A	N/A

(1) Estimated value of stock options calculated using the Black-Scholes model: $8.21 in February 2019, $13.24 in February 2018 and $12.33 in February 2017.

Total Direct Compensation



Calculation of the 2019 Annual Bonus

	Weighting	Bonus as a % of Target	Bonus
	%		$
Return on Shareholders' Equity	-	-	-
New Business	-	-	-
Cost Control	-	-	-
Divisional Objectives and Qualitative Assessment	-	-	-
Total	**-**	**-**	**-**
Profit Threshold Met		-	-
Total Bonus Paid		**-**	**-**

NORMAND PÉPIN

Executive Vice President and Assistant to the President
(retired)

After more than 46 years of service, Normand Pépin retired on January 1, 2020. Until June 20, 2019, he held the position of Executive Vice President and Assistant to the President.

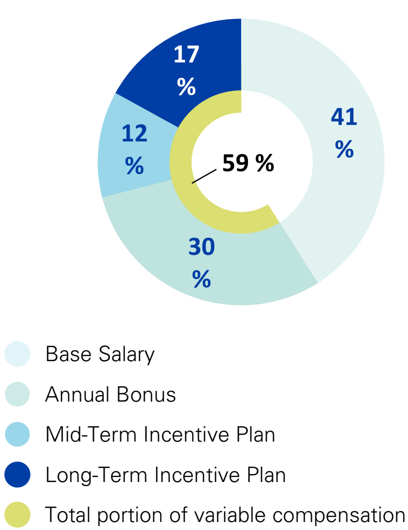
With a wealth of experience and an in-depth knowledge of Canada's insurance and financial services industry, Normand Pépin was advising the Corporation's President and Chief Executive Officer on issues affecting in particular strategic direction and business development. For several years, Mr. Pépin dealt mainly with acquisitions and was a member of the Corporation's Executive Committee.

Last three fiscal years' Total Direct Compensation

	2019	2018	2017
Base Salary	$607,820	$591,265	$576,844
Annual Bonus	$455,546	$562,467	$490,943
Mid-Year Incentive Plan	$182,329	$177,372	$173,061
Long-Term Incentive Plan[1]	$246,300	$463,400	$493,200
Total Direct Compensation	$1,491,995	$1,794,504	$1,734,048

(1) Estimated value of stock options calculated using the Black-Scholes model: $13.24 in February 2018, $12.33 in February 2017 and $7.85 in February 2016.

Total Direct Compensation



Calculation of the 2019 Annual Bonus

	Weighting	Bonus as a % of Target	Bonus
	%		$
Return on Shareholders' Equity	35	200	319,106
New Business	30	83.1	113,647
Cost Control	10	50	22,793
Divisional Objectives and Qualitative Assessment	0	0	0
Total	**75**	**99.9**	**455,546**
Profit Threshold Met		Yes	Yes
Total Bonus Paid		**99.9**	**455,546**

Summary Compensation Table

Name and Principal Occupation	Year	Salary	Share-Based Awards(1)	Option-Based Awards(2)	Annual Incentive Plan(3) (non-equity)	Pension Value	Other Compen-sation(4)	Total Compen-sation
DENIS RICARD President and Chief Executive Officer	2019	$842,960	$252,893	$492,600	$947,858	$3,135,171	N/A	$5,671,482
	2018	$671,375	$178,341	$670,663	$762,911	$1,376,958	N/A	$3,660,248
	2017	$474,349	$137,370	$431,550	$401,849	$890,015	N/A	$2,335,133
JACQUES POTVIN Executive Vice President and Chief Financial Officer and Chief Actuary	2019	$418,910	$125,672	$287,350	$270,283	$1,849,996	N/A	$2,952,211
	2018	$350,990	$92,260	$264,800	$253,665	$530,759	N/A	$1,492,474
	2017	$236,243	N/A	$73,980	$128,712	$261,258	N/A	$700,193
MICHAEL L. STICKNEY Executive Vice President and Chief Growth Officer	2019	$519,057 (6)	$110,497	$188,830	$478,807 (7)	$354,475	N/A	$1,651,666
	2018	$463,843(6)	$107,465	$304,520	$279,887 (7)	$326,124	N/A	$1,481,839
	2017	$453,509(6)	$104,982	$283,590	$208,494 (7)	$319,196	N/A	$1,369,771
CARL MUSTOS Executive Vice President, Wealth Management	2019	$514,000	$154,200	$287,350	$406,609	$355,367	N/A	$1,717,526
	2018	$488,510	$138,360	$463,400	$324,165	$459,940	N/A	$1,874,375
	2017	$450,000	$135,002	$431,550	$366,795	$210,841	N/A	$1,594,188
ALAIN BERGERON Executive Vice President and Chief Investment Officer	2019	$180,822	$-	$502,800	$412,500 (9)	$81,279	$250,000 (5)	$1,427,401
	2018	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	2017	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NORMAND PÉPIN Executive Vice President and Assistant to the President (retired)	2019	$607,820	$182,329	$246,300	$455,546	$0	N/A (8)	$1,491,995
	2018	$591,265	$177,372	$463,400	$562,467	$0	N/A (8)	$1,794,504
	2017	$576,844	$173,061	$493,200	$490,943	$0	N/A (8)	$1,734,048

(1) Share value is calculated on the award date. This value is $46.98 for 2019, $60.58 for 2018 and $55.08 for 2017. In accordance with the Mid-Term Incentive Plan in effect, the initial share price for a given performance period is determined by the average price of the Corporation's shares for the first 20 business days of the period. The performance period is spread over three fiscal years; it begins on January 1 of the grant year and ends on December 31 of the third year.

(2) Award date fair value of stock options is determined using the Black-Scholes model: $8.21 in February 2019, and $8.38 in September 2019 ($13.24 in February 2018, $10.58 in July 2018, and $12.33 in 2017). The Black-Scholes valuation model estimates the fair value of options. The pricing model assumes the following information: Risk-free interest rate of 1.80 % in February 2019, and of 1.44 % in September 2019 (2.17 % in February 2018, 2.24 % in July 2018 and 1.18 % in 2017); expected volatility of 25.80 % in February 2019 and of 22.92 % in September 2019 (29.04 % in February 2018, 28.47 % in July 2018 and 29.00 % in 2017) ; expected life of 5.6 years in February and September 2019 (5.7 years in February 2018, 5.6 years in July 2018 and 5.5 years in 2017) and expected dividends of 3.58 % in February 2019 and of 3.18 % in September 2019 (2.68 % in February 2018, 3.22 % in July 2018 and 2.48 % in 2017).

(3) The bonus is established according to a predetermined formula (see "Compensation of Named Executive Officers") and is paid in cash or DSUs during the first three months of the following year.

(4) The aggregate value of perquisites and benefits to each of the Named Executive Officers is less than $50,000 and less than 10 % of the Named Executive Officer's total annual salary.

(5) This amount corresponds to the hiring bonus paid by the Corporation to Mr. Bergeron in connection with an employment contract. This contract also provides that an amount of $250,000, as a retention bonus, is payable annually, in February, to Mr. Bergeron over the next five years. Payments of the retention bonus are conditional on the employment being maintained at the time of payment.

(6) Mr. Stickney's salary was paid in U.S. dollars and converted into Canadian dollars using the average exchange rate for 2019 (1.3269 % = USD 391,180), for 2018 (1.2957 % = USD 357,987) and for 2017 (1.2986 % = USD349,230).

(7) Mr. Stickney's annual bonus was paid in U.S. dollars and converted into Canadian dollars using the exchange rate at the time of payment (2019: 1.3217 % = USD 362,228, 2018: 1.31969 % = USD 212,100 and 2017: 1.2709 % = USD 164,052).

(8) The cost of benefits accrued by Normand Pépin over 2017, 2018 and 2019 is $0, as he is no longer accruing credited service in the registered and executive pension plans. The pension payable to Mr. Pépin under these plans reached the set limit of 80 % of the average of the salaries and bonuses. It should be noted that, following a Board of Directors' meeting held on November 4, 2009, it was decided that the maximum pension payable to Mr. Pépin under the registered and executive pension plans established at 70 % of the average of the salaries and bonuses would be increased to 80 %.

(9) Guaranteed annual bonus according to the terms of the employment contract.

Outstanding Awards as at the End of the Last Financial Year

At December 31, 2019, stock options to purchase Common Shares of iA Financial Corporation were awarded to the Named Executive Officers and are outstanding as set out in the following table. All of the options awarded had an exercise price equal to the weighted average price of the Common Shares of iA Financial Corporation traded on the Toronto Stock Exchange during the five trading days immediately preceding the day on which the option was granted. The options vest over four years at the rate of 25 % per year, starting on the first anniversary date of the date of the award. The options may be exercised for a period of 10 years from the date of the award.

		Option-Based Awards			
	Financial Year of Award	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiry Date	Value of Unexercised In-the-Money Options[1]
		Number	$		$
DENIS RICARD	2010	-	32.08	February 5, 2020	-
	2011	-	38.48	February 11, 2021	-
	2012	13,000	26.03	February 10, 2022	588,900
	2013	23,000	35.51	February 8, 2023	823,860
	2014	25,000	43.38	February 7, 2024	698,750
	2015	25,000	39.96	February 6, 2025	784,250
	2016	30,000	40.91	February 5, 2026	912,600
	2017	35,000	55.85	February 10, 2027	541,800
	2018	40,000	58.43	February 9, 2028	516,000
	2018	13,333	52.66	July 31, 2028	248,927
	2019	60,000	48.82	February 8, 2029	1,350,600
	Total	**264,333**			6,465,687
JACQUES POTVIN	2010	-	32.08	February 5, 2020	-
	2011	-	38.48	February 11, 2021	-
	2012	3,000	26.03	February 10, 2022	135,900
	2013	3,000	35.51	February 8, 2023	107,460
	2014	3,000	43.38	February 7, 2024	83,850
	2015	4,000	39.96	February 6, 2025	125,480
	2016	4,000	40.91	February 5, 2026	121,680
	2017	6,000	55.85	February 10, 2027	92,880
	2018	20,000	58.43	February 9, 2028	258,000
	2019	35,000	48.82	February 8, 2029	787,850
	Total	**78,000**			1,713,100
MICHAEL L. STICKNEY	2010	-	32.08	February 5, 2020	-
	2011	25,000	38.48	February 11, 2021	821,250
	2012	25,000	26.03	February 10, 2022	1,132,500
	2013	23,000	35.51	February 8, 2023	823,860
	2014	23,000	43.38	February 7, 2024	642,850
	2015	23,000	39.96	February 6, 2025	721,510
	2016	23,000	40.91	February 5, 2026	699,660
	2017	23,000	55.85	February 10, 2027	356,040
	2018	23,000	58.43	February 9, 2028	296,700
	2019	23,000	48.82	February 8, 2029	517,730
	Total	**211,000**			**6,012,100**

		Option-Based Awards			
	Financial Year of Award	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiry Date	Value of Unexercised In-the-Money Options(1)
		Number	$		$
CARL MUSTOS	2010	-	32.08	February 5, 2020	-
	2011	10,000	38.48	February 11, 2021	328,500
	2012	10,000	26.03	February 10, 2022	453,000
	2013	10,000	35.51	February 8, 2023	358,200
	2014	10,000	43.38	February 7, 2024	279,500
	2015	10,000	39.96	February 6, 2025	313,700
	2015	15,000	43.51	April 29, 2025	417,300
	2016	23,000	40.91	February 5, 2026	699,660
	2017	35,000	55.85	February 10, 2027	541,800
	2018	35,000	58.43	February 9, 2028	451,500
	2019	35,000	48.82	February 8, 2029	787,850
	Total	**193,000**			**4,631,010**
ALAIN BERGERON	2019	60,000	54.79	September 3, 2029	992,400
	Total	**60,000**			**992,400**
NORMAND PÉPIN	2010	-	32.08	February 5, 2020	-
	2011	-	38.48	February 11, 2021	-
	2012	-	26.03	February 10, 2022	-
	2013	-	35.51	February 8, 2023	-
	2014	-	43.38	February 7, 2024	-
	2015	-	39.96	February 6, 2025	-
	2016	45,000	40.91	February 5, 2026	1,368,900
	2017	40,000	55.85	February 10, 2027	619,200
	2018	35,000	58.43	February 9, 2028	451,500
	2019	30,000	48.82	February 8, 2029	675,300
	Total	**150,000**			**3,114,900**

(1) This amount is calculated based on the difference between the closing share price on December 31, 2019 ($71.33) and the option exercise price.

PSU vesting is subject to a performance requirement and a three-year vesting period. The value of each PSU awarded is equal to the average closing price of the Common Shares of iA Financial Corporation for the first 20 business days of the reference period. PSUs also accumulate notional dividends based on the dividends paid on Common Shares of iA Financial Corporation.

		Share-Based Awards			
		PSU		DSU[2]	
	Financial Year of Award	Number of Shares or Share Units that Have Not Vested	Market or Payout Value of Share-Based Awards that Have Not Vested[1]	Outstanding DSUs[3] (all these DSUs have fully vested)	Market or Payout Value of Share-Based Awards that Have Vested (not paid or distributed)
		Number	$	Number	$
DENIS RICARD	2018	3,133	216,835	41,615	2,968,380
	2019	5,553	384,323		
	Total	**8,686**	**601,158**		
JACQUES POTVIN	2018	1,621	112,189	7,179	512,105
	2019	2,759	190,950		
	Total	**4,380**	**303,140**		
MICHAEL L. STICKNEY	2018	1,888	130,668	1,205	85,956
	2019	2,426	167,903		
	Total	**4,314**	**298,572**		
CARL MUSTOS	2018	2,431	168,250	-	-
	2019	3,386	234,345		
	Total	**5,817**	**402,595**		
ALAIN BERGERON	2018	-	-	-	-
	2019	-	-		
	Total	**-**	**-**		
NORMAND PÉPIN	2018	3,116	215,658	89,246	6,365,910
	2019	4,003	277,048		
	Total	**7,119**	**492,706**		

(1) The value of non-vested PSUs is based on a 100 % target performance criteria and the average share price for the last 20 business days of 2019 ($69.21).
(2) These executive officers have elected to receive a percentage of their 2019 annual bonus in the form of DSUs. All these DSUs have fully vested. This amount is calculated based on the share closing price on December 31, 2019 ($71.33).
(3) Total DSUs (share-based awards and dividends) as of December 31, 2019.

Incentive Plan Awards – Value Vested or Earned During the Year

The following table lists, for each of the Named Executive Officers, the values of incentive plan awards that were earned or vested during 2019.

	Option-Based Awards – Value Vested During the Year(1)	Share-Based Awards – Value Vested During the Year(2)	Compensation Based on a Non-Equity Incentive Plan – Value Earned During the Year(3)
DENIS RICARD	$118,900	$254,699	$947,858
JACQUES POTVIN	$17,270	$-	$270,283
MICHAEL L. STICKNEY	$99,303	$194,650	$478,807
CARL MUSTOS	$105,303	$141,601	$406,609
ALAIN BERGERON	$0	$-	$412,500
NORMAN PÉPIN	$203,588	$320,876	$455,546

(1) Value based on the closing price of the Common Shares on the day they are vested.
(2) Awards for 2017, for which the performance period was from January 1, 2017, to December 31, 2019, were paid on February 20, 2020.
(3) The Named Executive Officer can elect to receive all or part of his annual bonus in DSUs. DSUs are redeemable for cash only upon termination of employment, retirement or death of the Named Executive Officer.

Payment of 2017 PSU Awards

PSUs awarded to Named Executive Officers in 2017 vested on December 31, 2019 (the end of the three-year performance evaluation period for said PSUs).

The table below shows how the payment of PSUs was calculated:

- The amount received by the Named Executive Officers is based on the number of units that have vested and the Common Share price of iA Financial Corporation at the time of vesting, as described below;
- The number of units that have vested was determined based on the performance coefficient, which was calculated based on the Corporation's performance during the three-year reference period (see below for more details);
- During the reference period, notional dividends were received by the Named Executive Officers as additional units;
- The vesting price corresponds to the arithmetic average of the weighted average prices of Common Shares of iA Financial Corporation for the 20-day period before the end of the reference period, being the end of the fiscal year ended December 31, 2019;
- The difference between the value of the award and the value of the payment includes the effect of the notional dividends received by the Named Executive Officers as additional units, the increase in the share price since the award and the performance coefficient.

	Number of PSUs Awarded in 2017	Number of Dividend Equiva-lents Recei-ved	Total Number of PSUs	Perfor-mance Coeffi-cient	Vesting Price	Payment Value on Vesting	Award Value	Diffe-rence Between the Award Value and the Payment Value
	Number	Number	Number	Multiple	$	$	$	$
DENIS RICARD	2,494	230	2,724	1.348	69.21	254,699	137,370	117,329
JACQUES POTVIN	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
MICHAEL L. STICKNEY	1,906	176	2,082	1.348	69.21	194,650	104,982	89,668
CARL MUSTOS	2,451	226	2,677	0.76[(1)]	69.21	141,601	135,002	6,599
ALAIN BERGERON	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NORMAND PÉPIN	3,142	289	3,431	1.348	69.21	320,876	173,061	147,815

(1) Please note that in the case of Carl Mustos, the TSR Coefficient does not apply. The formula is fully applied to the coefficient of net earnings of 0.76.

Calculation of the Performance Coefficient

Performance is measured based on net earnings of iA Financial Corporation and on the percentile rank of the TSR.

— 75 % of the performance is measured based on the net earnings realized for each of the three years of the performance period.

	Threshold 50 %	Target 100 %	Maximum 150 %	Actual	Performance Coefficient for the Period
	Millions	Millions	Millions	Millions	
2017-2019	1,300	1,700	1,850	1,815.4	1.38

— 25 % of the performance is measured using the average of the percentile rank of the TSR of the three years of the performance period.

	Threshold 50 %	Target 100 %	Maximum 150 %	Actual	TSR Coefficient for the Period
2017-2019	66 % to 75 %	46 % to 55 %	1 % to 35 %	37 %	1.25

75 %
Of the Coefficient of Net Earnings
(1.38 x 75 % = 1.035)

+

25 %
Of the Coefficient of the Relative TSR
(1.25 x 25 % = 0.313)

=

Coefficient of the Performance for the Period
(**1.348**)

Options Exercised

The following table lists, for each of the Named Executive Officers, the number and net value of options that were exercised during 2019.

		Option Awards		
	Award Year	Number of Shares Acquired on Exercise	Exercise Price	Net Value Realized Upon Exercise[(1)]
	Year	Number	$	$
DENIS RICARD	2010	12,000	32.08	239,760
	2011	20,000	38.48	485,420
JACQUES POTVIN	2010	3,000	32.08	55,860
	2011	3,000	38.48	90,810
MICHAEL L. STICKNEY	2010	25,000	32.08	604,021
CARL MUSTOS	2010	10,000	32.08	217,661
ALAIN BERGERON	-	-	-	-
NORMAND PÉPIN	2011	52,000	38.48	767,000
	2013	49,000	35.51	910,902
	2014	49,000	43.38	1,243,130
	2015	49,000	39.96	1,177,960
Total		**272,000**		**5,792,524**

(1) This amount is calculated based on the difference between the exercise price and the market price of the shares at the time of exercise.

Pension Benefits

The Named Executive Officers participate in the registered pension plan and qualify for supplemental pension benefits under the supplemental pension plans. These plans are defined benefit plans.

Under these plans, the pension is calculated on the basis of 2 % of the average salary and performance bonus paid for the best five years, multiplied by the number of years of credited service. For executives hired after January 1, 2013, the pension is calculated on the basis of 1.4 % of the average yearly maximum pensionable earnings (YMPE) for the best five years plus 2 % of the excess of the average salary and performance bonus paid for the best five years over the average YMPE for the best five years multiplied by the number of years of credited service. The pension is generally limited to 70 % of the average salaries and bonuses.

The calculation of the pension is subject to a maximum percentage of salary based on pension credits for 2006 and subsequent years. This percentage is limited to 175 %, or 200 % for the Chief Executive Officer, of the base salary for the last three years. For executives with a spouse at the date of retirement, the normal form of pension is a joint and last survivor pension for which the amount payable to the spouse is reduced on the death of the pensioner to 60 % of the amount paid to the pensioner before his or her death. For executives without a spouse at the date of retirement, the normal form is a lifetime pension guaranteed for 12 years.

The annual retirement pension provided for under the registered pension plan is limited to the maximum amount authorized by the tax authorities for each year of credited service. The annual retirement pension payable under the supplemental pension plans is calculated according to the formula described above, less the pension payable under the registered pension plan.

The following table sets forth the defined benefit plans for each of the Named Executive Officers. These plans provide for payments or benefits at, following, or in connection with retirement:

		Annual Benefits Payable					
	Number of Years of Credited Service	At Year End	At age 65[4]	Opening Present Value of Defined Benefit Obligation	Compen-satory Change[5]	Non-Compen-satory Change[6]	Closing Present Value of Defined Benefit Obligation
	Number	$	$	$	$	$	$
DENIS RICARD[1]	34.58	662,262	829,977	9,221,612	3,135,171	1,751,469	14,108,251
JACQUES POTVIN	29.56	230,086	285,973	3,094,707	1,849,996	858,814	5,803,517
MICHAEL L. STICKNEY[2]	18.00	259,023	259,023	3,736,376	354,475	327,482	4,418,333
CARL MUSTOS	7.67	106,728	250,491	1,433,465	355,367	360,065	2,148,897
ALAIN BERGERON	0.33	3,506	235,272	0	81,279	21,574	102,853
NORMAND PÉPIN[3]	40.00	998,298	998,298	14,632,361	0	1,371,506	16,003,867

(1) The Human Resources and Compensation Committee decided that the pension payable to Mr. Ricard under the registered and supplemental pension plans would not be limited to the maximum of 70 % of the average salaries and bonuses.
(2) Effective September 1, 2012, Mr. Stickney only accrues benefits under the supplemental pension plan as he is no longer eligible to participate in the registered pension plan.
(3) At the time of his retirement, Mr. Pépin opted for an immediate annuity in the annual amount of $1,036,366. The pension was increased in accordance with the provisions of the registered pension plan and supplemental pension plans.
(4) Annual benefits payable at age 65 or at the end of the fiscal year if the member is over age 65.
(5) Compensatory change includes the cost for benefits accrued during the year, plan changes, and the impact on liabilities of differences between actual and estimated earnings.
(6) Non-compensatory change includes the interest on the accrued obligation at the start of the year as well as the impact on liabilities of changes in assumptions.

The Corporation acquired Seaboard Life Insurance Company ("Seaboard") in 1999. The Corporation assumed Seaboard's obligations with respect to the retirement arrangement for Mr. Michael L. Stickney. Mr. Stickney was a participant in an unregistered notional account in which he accrued rights until December 31, 2001. Since that date, this account has been evolving solely based on credited investment returns. The following table sets forth the value of Mr. Stickney's Plan at the beginning and end of the Corporation's fiscal year ended December 31, 2019. The accumulated value at retirement will be payable in a maximum of 11 payments, the first being on the first of the month following end of employment and on each December 1 following the initial payment thereafter. The amounts of the ten annual payments on each December 1 will be calculated by dividing the accumulated value at that date by the number of remaining annual payments. The value of the notional account will be nil following these payments.

	Value accrued at the Beginning of the Fiscal Year	Compensatory Amount	Non-Compensatory Amount	Value accrued at the End of the Fiscal Year
	$	$	$	$
MICHAEL L. STICKNEY	361,653	-	42,024	403,677

Termination and Change of Control Benefits

Employment Contract of the President and Chief Executive Officer

As provided in the employment contract entered into with Denis Ricard, if the Corporation terminates the employment of Mr. Ricard without cause, including at the time of a change of control, the latter shall then be entitled to an indemnity equal to 24 months of base salary and to an amount equal to twice his average bonuses for the previous three years. Furthermore, Mr. Ricard shall be credited two years of additional service under the pension plan and employment benefits shall be maintained for a period of 24 months with the exception of disability benefits. All stock options held by Mr. Ricard shall continue to vest based on the schedule established at the time of the award, and Mr. Ricard will also be entitled to payment of a part of the annual target bonus in proportion to the number of months worked in the performance period in which his employment ended and to all vacation days earned but not taken. If Mr. Ricard leaves his employment with the Corporation for any reason or if the Corporation terminates his employment with cause, Mr. Ricard will be required, for a period of 24 months following the end of his employment, to non-competition and non-solicitation obligations.

Other Employment Contracts and Other Conditions of Termination

Except for the President and Chief Executive Officer, the Corporation did not enter into any employment contract with Named Executive Officers that provides an indemnity in the event of termination thereof. However, the Performance Share Unit Plan and the Stock Option Plan set out the effect of termination on a participants' grants.

	Compensation Components	
	Options	**PSUs**
Resignation	Expiry of all options as at the date of termination.	Expiry of all unvested PSUs as at the date of termination.
Termination (without cause)	Vested options may be exercised for three years after the date of termination. Unvested options will be cancelled unless the Board decides otherwise.	Vesting in proportion to the number of months worked during the performance period and by using the actual performance as at the date of termination.
Termination (with cause)	Expiry of all options as at the date of termination.	Expiry of all unvested PSUs as at the date of termination.
Retirement	Vested options may be exercised for three years after the date of termination. Unvested options are cancelled unless the Board decides otherwise.	Vesting in proportion to the number of months worked during the performance period and by using the actual performance as at the date of termination.
Termination Following a Change of Control	Vested options may be exercised for three years after the date of termination. Unvested options are cancelled unless the Board decides otherwise.	Vesting in proportion to the number of months worked during the performance period and by using the actual performance as at the date of termination. The Human Resources and Compensation Committee may, at its discretion, accelerate the vesting dates.

Value of Benefits in the Event of Termination

The following table sets out the additional amounts that would have been payable to the Named Executive Officers and the value of the additional rights acquired by these Named Executive Officers, assuming that the Named Executive Officer's employment had been terminated on December 31, 2019 and considering, for the share-based compensation, a Common Share closing price of $71.33 as at December 31, 2019.

	Nature of Payment	Resignation	Termination (without cause)	Termination (with cause)	Retirement	Termination Following a Change of Control
		$	$	$	$	$
DENIS RICARD	Salary	-	1,685,920	-	-	1,685,920
	Annual Bonus	-	1,735,515	-	-	1,735,515
	PSUs	-	610,589	-	610,589	610,589
	Options	-	2,423,350	-	-	2,423,350
	Pension benefits	-	4,027,466	-	-	4,027,466
	Total Value	**-**	**10,482,840**	**-**	**610,589**	**10,482,840**
JACQUES POTVIN	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	180,355	-	180,355	180,355
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	Total Value	**-**	**180,355**	**-**	**180,355**	**180,355**
MICHAEL L. STICKNEY	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	378,601	-	378,601	378,601
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	Total Value	**-**	**378,601**	**-**	**378,601**	**378,601**
CARL MUSTOS	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	301,544	-	301,544	301,544
	Options	-	-	-	-	
	Pension benefits	-		-	-	
	Total Value	**-**	**301,544**	**-**	**301,544**	**301,544**
ALAIN BERGERON	Salary	-	-	-	-	-
	Annual Bonus	-	-	-	-	-
	PSUs	-	-	-	-	-
	Options	-	-	-	-	-
	Pension benefits	-	-	-	-	-
	Total Value	**-**	**-**	**-**	**-**	**-**

Indebtedness of Directors, Executive Officers and Employees

The Corporation does not grant loans to directors and executive officers to acquire shares of the Corporation. Consequently, with the exception of routine indebtedness, no director, executive officer, former executive member or employee is indebted to the Corporation or to one of its subsidiaries.

Legal Proceedings and Regulatory Actions

In the ordinary course of its business, from time to time, the Corporation is named as defendant in legal proceedings or class action suits for damages and costs and for damages and losses sustained by plaintiffs. While it is not possible to estimate the outcome of the various proceedings involving the Corporation at this time, the Corporation believes that these legal proceedings will not have a material negative effect on its financial position or on its consolidated results.

Since January 1, 2019, (a) no penalties or sanctions have been imposed on iA Insurance (i) by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority, or (ii) by a court or regulatory body that would likely be considered material to a reasonable investor in making an investment decision, and (b) iA Insurance has not entered into any settlement agreements with a court relating to Canadian securities legislation or with a Canadian securities regulatory authority.

Transfer Agent and Registrar

iA Insurance has retained the services of Computershare Investor Services Inc. as its share transfer agent and registrar. The transfer books are kept in Montreal. Computershare can be contacted at:

1500 Robert-Bourassa Boulevard, 7th Floor
Montreal, Quebec H3A 3S8
Canada

Telephone: 514 982-7555
1 877 684-5000 (toll free)
Email: ia@computershare.com

Interests of Experts

Mr. Jacques Potvin, Executive Vice President, Chief Financial Officer and Chief Actuary of the Corporation, prepared the appointed actuary report for the financial year ended December 31, 2019. As at the date hereof, Mr. Potvin, as a registered or beneficial owner, owned directly or indirectly less than 1% of the Corporation’s outstanding securities of any class.

Deloitte LLP, the Corporation’s external auditor, prepared the auditor’s report related to the audited Consolidated Financial Statements for the financial years ended December 31, 2019 and 2018. The Corporation has been informed that Deloitte LLP is independent within the meaning of the *Code of Ethics of Chartered Professional Accountants* (Quebec).

Additional Information

Additional information on the Corporation is available on the SEDAR website at sedar.com. Finally, additional financial information is provided in the *Consolidated Financial Statements* and Management’s Discussion and Analysis for its most recently completed financial year.

SCHEDULE A – Audit Committee Mandate

The Audit Committee (the "Committee") assists the Board of Directors (the "Board") in its responsibilities relating to financial disclosure and the disclosure of other related information to Company shareholders as well as the oversight of the enterprise risk management framework and internal control environment, the internal auditor, the external auditor and the Company's chief actuary.

Composition and Quorum

The Committee shall be constituted in accordance with the Company's by-laws, the *Insurers Act*, R.S.Q., chapter A-32.1 (the "Act"), *Regulation 52-110 respecting Audit Committees* ("Regulation 52-110") and Decision no. 2015-SOLV-0065 issued by the Autorité des marchés financiers regarding the authorization for the establishment of audit committees (the "Decision"), as may be amended from time to time.

The Committee is composed of at least three members appointed by the Board from among the Company's directors. The composition of the Committee must meet the following criteria:

- The members must have the financial literacy required to fulfill their role.[1]
- The majority of Committee members must not be composed of shareholders who hold 10% or more of the voting rights attached to the shares issued by the Company or by a legal entity affiliated with the Company, or 10% or more of such shares.
- Notwithstanding the provisions of the Act and in accordance with the Decision, the majority of Committee members may be composed of members serving on other Board committees or directors of legal entities affiliated with the Company.

Moreover, all Committee members must be independent as defined by the Canadian Securities Administrators under Regulation 52-110 and under the Company's *Board Independence Policy.*

The quorum at any meeting of the Committee is constituted by the majority of its members in office.

Roles and Responsabilities

The Committee has the following responsibilities:

1. Financial disclosure

- Overseeing that processes are in place to provide reasonable assurance that the Company's financial reporting is reliable and that its financial statements are prepared in accordance with financial reporting standards and the applicable legal and regulatory requirements.
- Reviewing with management and the external auditor the interim and annual financial statements, the results of the external audit of these financial statements, management's discussion and analysis and the related press releases, and obtaining explanations from management on all significant variances with comparative periods, before recommending their approval to the Board and their release.
- Obtaining from the President and Chief Executive Officer and the Chief Financial Officer the certifications required under Multilateral Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings.
- Overseeing that effective internal controls and disclosure procedures are in place for reviewing the Company's public disclosure of financial information extracted or derived from the Company's financial statements, other than the financial statements, management's discussion and analysis and annual and interim earnings press releases.
- Periodically reviewing the Company's Disclosure Policy and assessing the adequacy of procedures related thereto.
- Reviewing with the external auditor any problems or difficulties relating to the audit and management's response thereto and resolving any disagreements between management and the external auditor regarding financial reporting.

2. Enterprise risk management framework and internal controls

[1] Under Regulation 52-110, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements.

- Periodically reviewing and adopting the Company's Risk Management Charter setting out the role, mission, powers, status and responsibilities of the Risk Management function.
- Recommending the approval of the enterprise risk management framework and its related policies to the Board.
- Overseeing the enterprise risk management framework and the systems in place for detecting, managing and reporting key risks, and periodically receiving reports from the Chief Risk Officer on compliance with the framework as well as its implementation and effectiveness.
- Periodically receiving the monitoring plan from the Compliance function and requesting that specific missions be carried out as needed.
- Receiving periodic reports from the Chief Compliance Officer, as well as reports in real time, as needed, on the Company's compliance with its regulatory framework and being informed in a timely manner of any deficiencies and significant exposure to regulatory and operational risk, along with its impacts.
- Overseeing and receiving updates on the status of implementation of recommendations issued by the Risk Management and Compliance functions with regard to identified deficiencies and the status of management's action plans to remedy them.
- Holding separate, in-camera meetings at least once a year with the Chief Risk Officer and the Chief Compliance Officer and receiving a statement of independence from each of them.
- Annually reviewing the performance appraisal of the Chief Risk Officer and the Chief Compliance Officer.
- Overseeing the quality and integrity of the internal control systems through discussions with management, the supervisory functions, the internal auditor and the Company's external auditor.
- Periodically reviewing reports from management and the supervisory functions relating in whole or in part to the operation of the Company's financial reporting system, as well as any other control mechanisms or departure therefrom.

2.1. Oversight of specific programs

- Overseeing that risks related to information technology (IT), financial crime, privacy, and anti-money laundering and anti-terrorist financing are included in the enterprise risk management framework, as well as overseeing the implementation and effectiveness of related programs, periodically reviewing and approving the policies related thereto, and periodically receiving reports from the functions responsible for monitoring them.
- Overseeing the proactive management of significant and emerging IT risks and periodically receiving reports from management on major IT projects and the implementation and effectiveness of related programs, including the information security and data governance program.
- Periodically receiving reports from management on the action plans developed to correct the identified issues. These reports also include any relevant information to allow the Committee to make informed judgments on trends, problems and significant exposure to IT risks, including cybersecurity.
- Overseeing that measures are in place for the receipt, retention and handling of complaints received by the Company regarding accounting, internal accounting controls or auditing matters, including the confidential, anonymous submission by Company employees of concerns related to audit or accounting.

3. Internal audit

- Adopting and periodically reviewing the Company's Internal Audit Charter setting out the role, mission, powers, status and responsibilities of the Internal Audit function.
- Periodically reviewing the internal audit plan that focuses on the Company's significant inherent risks, approving such plan and periodically overseeing its execution.
- Annually approving the budget and resources for the Company's Internal Audit function.
- Validating the adequacy of the scope and powers of the officer responsible for Internal Audit and the Company's Internal Audit function and verifying that the Internal Audit function has the resources and powers it needs at all times to carry out its mandate.
- Recommending to the Board the appointment and, when necessary, the removal of the internal auditor.
- Annually reviewing, participating in and discussing the internal auditor's performance appraisal and evaluating the effectiveness of the Internal Audit function.
- Periodically receiving updates from the internal auditor on the status of the audit plan or other related matters.

- Periodically reviewing audit reports, overseeing follow-up on Internal Audit's recommendations regarding identified deficiencies and overseeing appropriate management actions to correct them.
- Periodically receiving reports from the internal auditor on incidents associated with financial crime and fraud.
- Overseeing the independence and objectivity of the Internal Audit function by receiving a statement from the internal auditor confirming his or her independence, the independence of the Internal Audit function and compliance with the code of ethics and internal audit standards and overseeing direct access to the Audit Committee by the Internal Audit function.

4. External audit

- Validating the competency and independence of the external auditor.
- Overseeing the external auditor's work and receiving its annual written statement regarding its relationship with the Company and iA Financial Group's member companies and discussing any relationships that may impact its objectivity or independence.
- Recommending to the Board the public accounting firm to be submitted to the vote of shareholders for the purpose of preparing or issuing an audit report or performing other audit, review or certification services for the Company and its subsidiaries and recommending that compensation be determined by the Board.
- Pre-authorizing all audit services, determining which non-audit services the external auditor is entitled to provide and pre-approving all non-audit services in accordance with the External Auditor Independence Policy and Regulation 52-110 on Audit Committees.
- Adopting and periodically reviewing the External Auditor Independence Policy governing the awarding of contracts for non-audit services and the recruiting of individuals affiliated with the external auditor.
- Reviewing and approving external auditor fees, both for audit and authorized non-audit services.
- Reviewing the audit plan with management and the external auditor and approving it.
- Overseeing the execution of the external auditor's audit plan and overseeing follow-up on the implementation of its recommendations and the steps management has agreed to take to carry out the recommendations.
- Overseeing compliance with requirements regarding the rotation of appropriate partners of the external auditor and the participation of the external auditor in the Canadian Public Accountability Board's program.
- Periodically reviewing the external auditor's report in accordance with section 125 of the Act, which provides for the disclosure of any situation the auditor becomes aware of that is likely to appreciably limit the Company's ability to fulfill its obligations.
- Receiving all material correspondence between the external auditor and senior management with regard to the audit findings.
- In respect to the relationship with the external auditor, overseeing compliance with as well as the prudence and appropriateness of accounting and actuarial practices.
- Periodically reviewing the effectiveness and quality of the external auditor's work.

5. Chief Actuary

- Obtaining and annually reviewing the peer review's report of the Chief Actuary's work.
- Annually reviewing the chief actuary's performance appraisal.

6. Other responsibilities

- Periodically receiving the report on litigation outside the normal course of business for the Company and its subsidiaries and all material correspondence with the regulators.
- Periodically reviewing and approving the Company's corporate insurance portfolio and the liability insurance coverage for the Company's officers and directors.

7. General responsibilities

- Overseeing coordination between the Risk Management, Internal Audit and external audit functions.
- Retaining the services of accounting, legal and other consultants and setting their compensation, subject to notifying the Chair of the Board. Such notification must be accompanied by a description of the expert's mandate.
- Carrying out all other responsibilities as may be entrusted to it from time to time by the Board.

Method of Operation

Frequency: The Committee holds at least five regular meetings per year and may hold special meetings if required. A meeting may be called at any time by the Chair of the Committee, the Chair of the Board or the Company's President and Chief Executive Officer.

Chair: The Board appoints the Chair of the Committee, who must be independent and must not be the Chair of the Board or of any other committee. In the absence of the Chair, the members of the Committee elect a chair amongst themselves.

Secretary: The Corporate Secretary or, in his or her absence, the Assistant Secretary or any other person appointed by the members of the Committee, serves as Secretary for the Committee.

Agenda: The Chair of the Committee sets the agenda for each meeting of the Committee in consultation with the Company's President and Chief Executive Officer, the Chief Financial Officer and the Secretary. The agenda and the necessary documents are provided to the members of the Committee on a timely basis prior to any meetings of the Committee.

Report: The Chair of the Committee reports on a regular basis to the Board about the Committee's proceedings, findings and recommendations.

Communication: The Committee has a direct, two-way line of communication at all times with the Company's internal and external auditors and with all its other supervisory functions.

In-camera: The Committee has a separate in-camera meeting with the internal auditor and the external auditor after each meeting, without senior management. As needed, it meets with the supervisory functions and members of senior management without the auditors, and meets in-camera without senior management, the supervisory functions or the auditors.

Charter review: The Committee reviews its charter periodically and reports to the Board on any modifications required thereto.

Annual Information Form

Industrial Alliance Insurance and Financial Services Inc.

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